



Daily Report

East Asia

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Japan

Carter Plans To Visit Tokyo 2-9 July

OW2206105294 Tokyo KYODO in English 1037 GMT
22 Jun 94

[Text] Tokyo, June 22 KYODO—Former U.S. President Jimmy Carter will make an unofficial visit to Japan from July 2 to 9 at the invitation of private organizations, government sources said Wednesday [22 June].

The government is arranging meetings between Carter, and Prime Minister Tsutomu Hata and Foreign Minister Koji Kakizawa to hear from Carter about his recent meeting with North Korean President Kim Il-song, the sources said.

During the eight-day visit, Carter is scheduled to attend an international symposium on development of local communities in Yamagata Prefecture, northern Japan, and meetings of economic organizations in Tokyo, they said.

More on Issues Related to U.S.-Japan Trade Talks

Kantor on Kakizawa Meeting

OW2206003694 Tokyo KYODO in English 0025 GMT
22 Jun 94

[Text] Washington, June 21 KYODO—U.S. Trade Representative Mickey Kantor said Tuesday [21 June] he plans to discuss macroeconomic and sectoral issues when he meets Japanese Foreign Minister Koji Kakizawa this weekend in Los Angeles.

Speaking to reporters Tuesday evening, Kantor said he expects his discussion with Kakizawa to cover all aspects of the so-called framework trade talks with Japan.

But Kantor did not give a precise date for the planned meeting, saying it depends on Kakizawa's schedule.

Under the framework negotiations designed to rectify the chronic trade imbalance between the two countries, the U.S. is pressing Japan to set "objective criteria" to measure progress in market-opening.

But Tokyo rejects binding criteria, saying they could lead to managed trade.

Kakizawa on Framework Talks

OW2206020794 Tokyo KYODO in English 0156 GMT
22 Jun 94

[Text] Tokyo, June 22 KYODO—Foreign Minister Koji Kakizawa said Wednesday [22 June] Japan wants to conclude the trade "framework" talks with the United States as soon as possible in view of the rapid rise of yen against the dollar.

Kakizawa made the remark to reporters after a 20-minute meeting with U.S. Deputy Trade Representative Charlene Barshevsky at the Foreign Ministry.

Barshevsky is visiting Japan to hold a subcabinet-level meeting on government procurement with Deputy Foreign Minister Sadayuki Hayashi later in the day and on Thursday.

Kakizawa quoted Barshevsky as saying the U.S. wants to wrap up the framework talks as early as possible because of pressures from the Congress and from the market.

He said he replied that considering the rapid yen's rise, Japan also wants an early conclusion to the trade negotiations.

Barshevsky carried a message to Kakizawa from U.S. Trade Representative Mickey Kantor saying he wants to meet the Japanese foreign minister to discuss the framework talks for an early conclusion, Kakizawa said.

In Washington, Kantor said Tuesday he plans to discuss macroeconomic and sectoral issues when he meets Kakizawa this weekend in Los Angeles, although he did not give an exact date for the planned meeting.

Kantor said his discussion with Kakizawa will cover all aspects of the framework trade talks with Japan.

Meanwhile, Foreign Ministry officials quoted Kakizawa as saying in the meeting with Barshevsky that his trip to the United States is not yet set.

Kakizawa expressed hope that the subcabinet-level talks will make progress, the officials said.

Trade Minister on Trade, Yen

OW2206065294 Tokyo KYODO in English 0638 GMT
22 Jun 94

[Text] Tokyo, June 22 KYODO—Trade Minister Eijiro Hata said Wednesday he has asked monetary authorities to take positive steps to stem the yen's appreciation against the dollar, including coordinated intervention with other countries.

International Trade and Industry Minister Hata told a news conference the economic community was shocked by the yen's sharp rise, which will cause a serious psychological impact on the domestic economy.

Citing discussions with representatives of the Japanese automobile industry earlier in the day, Hata said a rise of 1.00 yen against the dollar will lead to a 10 percent drop in earnings by automakers.

During the meeting, the industry leaders urged the government to make a maximum effort to stem the yen's appreciation.

Hata said Japan's huge current account surplus is seen in the United States to be responsible for the higher yen.

He stressed the need for Japan and the U.S. to reach agreement on a new framework for bilateral trade as quickly as possible.

Government Procurement Talks

*OW2206121094 Tokyo KYODO in English 1152 GMT
22 Jun 94*

[Text] Tokyo, June 22 KYODO—Japan and the United States on Wednesday [22 June] kicked off two days of subcabinet-level "framework" trade talks on government procurement in what a Japanese official termed "a good and constructive atmosphere."

Deputy Foreign Minister Sadayuki Hayashi and Deputy U.S. Trade Representative Charlene Barshefsky discussed various topics in the government procurement category, including the sensitive issue of using "quantitative criteria" to gauge the openness of Japan's market, a Foreign Ministry official told reporters.

The official did not go into detail, except to say, "mutual understanding has been deepened."

Wednesday's meeting was largely devoted to reviewing lower working-level talks that ended Tuesday, the official said.

Japan understands the spirit of a U.S. agreement to restart the long-suspended framework talks is "still alive." The U.S. pledged in the May agreement to refrain from seeking "numerical targets" to assess the Japanese market.

The government procurement talks comprise medical equipment and telecommunications equipment.

More on Government Procurement

*OW2106120994 Tokyo KYODO in English 1144 GMT
21 Jun 94*

[Text] Tokyo, June 21 KYODO—Japan and the United States will hold subcabinet-level talks for two days from Wednesday on two areas of trade connected with government procurement, a Japanese official said Tuesday [21 June].

A planned meeting here between Japanese Deputy Foreign Minister Sadayuki Hayashi and U.S. Deputy Trade Representative Charlene Barshefsky will take up issues that have not been covered in recent working-level procurement trade talks, the official at the Foreign Ministry told reporters.

"Quantitative criteria" as a tool to assess Japan's government procurement market is among the remaining issues put on hold until the coming high-level talks, the official said.

The official was briefing reporters on Tuesday's working-level meeting on medical equipment trade.

Trade in medical equipment, covered in the discussions on government procurement along with telecom trade, is

one of the three priority fields under the bilateral trade "framework" negotiations launched in July last year.

Working-level talks on telecom trade were held in Tokyo last Friday, with the most sensitive issue of how to set "quantitative criteria" also held over for the coming high-level meeting.

The working-level medical equipment talks, shortened to a one-day session from the originally scheduled two-day meeting, were held in "a good atmosphere," the official said.

Tuesday's talks were devoted to explaining Japanese-proposed steps contained in a March market-opening package as a way to enhance foreign access to Japan's medical equipment market, according to the official said.

Auto Trade Accord To Be Postponed

*OW2206141194 Tokyo KYODO in English 1400 GMT
22 Jun 94*

[Text] Tokyo, June 22 KYODO—Japan and the United States are likely to postpone concluding until September automobile and parts talks, one of three priority areas in bilateral "framework" trade negotiations, Japanese Government sources said Wednesday.

The two countries, however, are likely to agree on Japanese Government procurement and insurance industry reforms by the time Prime Minister Tsutomu Hata and President Bill Clinton meet in Naples, they said.

The two state leaders are scheduled to meet in Naples for the annual summit meeting of the Group of Seven (G-7) leading industrial nations which is to be held July 8-10.

"Japan wants to make further efforts and create a better atmosphere by then to make the U.S. side feel hopeful in concluding the automotive negotiations in September," the sources said.

As for Japan's macroeconomic policies, another focal point in the series of talks to create a new framework for bilateral trade, the sources said negotiations look likely to take more time.

They added, however, Japan will accelerate its efforts to bring in line domestic opinions on such macroeconomic aspects as tax reforms and increasing public works investment, with one source saying Hata needs to show Japan's basic plan to Clinton.

Financial Services Talks

*OW2206150694 Tokyo KYODO in English 1454 GMT
22 Jun 94*

[Text] Tokyo, June 22 KYODO—Japan and the United States will hold a second round of negotiations on

financial services under the "framework" trade talks in Washington next week, a Japanese official said Wednesday.

Working-level negotiators are expected to meet on financial services as they are scheduled to meet again for insurance talks, the Finance Ministry official told reporters on condition of anonymity. Financial service talks kicked off in Paris earlier this month.

The U.S. is urging Japan to allow investment advisory firms to enter the Japanese pension market and to ease regulations on the securities business.

The official said, "It's still not a matter of making progress" as the talks have just started.

Comment on Insurance Talks

*OW2206052094 Tokyo KYODO in English 0452 GMT
22 Jun 94*

[Text] Tokyo, June 22 KYODO—The United States has presented a compromise proposal designed to replace state-by-state insurance licensing criteria with interstate ones, Finance Ministry officials said Wednesday [22 June].

The U.S. proposal came in the latest round of bilateral talks on insurance that began in Tokyo Tuesday for a two-day run as part of the so-called trade "framework" talks, the officials said.

In the talks, Tokyo urged Washington to standardize U.S. criteria on giving insurance licenses, describing the current state-by-state criteria as a barrier for foreign insurers looking to do business in the U.S.

U.S. negotiators involved in the insurance talks told their Japanese counterparts that the federal government will encourage each state to adopt common standards on whether to issue an insurance license, the Japanese officials said.

Japan and the U.S. are to hold the next round of bilateral talks on insurance next week in Washington to try to reach an agreement before the July summit of the Group of Seven (G-7) industrialized nations in the Italian city of Naples.

Insurance is one of the areas to which the U.S. gives top priority under the framework talks, which are intended to rectify the chronic trade imbalance between the two countries.

'Far Apart' on Insurance Issue

*OW2206142894 Tokyo KYODO in English 1412 GMT
22 Jun 94*

[Text] Tokyo, June 22 KYODO—Japan and the United States remained far apart on the "framework" insurance talks, and big compromises are needed to reach an

accord before the Group of Seven (G-7) summit in Naples in July, a Japanese official said Wednesday [22 June].

The chances of an agreement before the summit are "50-50," the Finance Ministry official said when briefing reporters on the two-day talks that started Tuesday.

The working-level talks which he described as an agreement-drafting session will continue until midnight, and both sides are to meet again in Washington next week, the official said.

"We won't reach agreement today," he said, noting that the two sides remain "far apart" especially on objective criteria, Japan's "keiretsu" mutual stockholding business relations and the "third sector."

Insurance business is one of the three priority areas under the bilateral talks to create a new trade framework, along with automobile and auto parts, and Japanese Government procurement of telecommunications and medical equipment.

"Both sides must compromise," the official said, dismissing any intention on Japan's part of yielding unilaterally in seeking agreement in the insurance field before the summit.

On objective criteria, both sides presented their proposals which were at "the opposite ends" of the definition agreed upon in May to restart the stalled framework talks, the official said.

The May agreement was to adopt both quantitative and qualitative yardsticks for each of the negotiation sectors instead of imposing overall numerical targets.

Regarding the issue of the third sector that combines the benefits of both nonlife and casualty insurance businesses, Japan is rejecting U.S. demands for postponement by five years of Tokyo's lifting of a market ban.

Japan currently allows only foreign-affiliated insurers to sell third-sector policies but is considering lifting the ban on Japanese insurers in two years under a law revision scheduled for submission to the Diet next year for the first time in five decades.

The third sector is expected to remain on the table "until the last moment" of an overall accord on the insurance business, the official said.

Tokyo Buys \$15.5 Billion Auto Parts in FY 1993

*OW2106141994 Tokyo KYODO in English 1400 GMT
21 Jun 94*

[Text] Tokyo, June 21 KYODO—Japanese automakers purchased 15.53 billion dollars worth of U.S. auto parts in fiscal 1993, up 14.1 percent from the year before, the Japan Automobile Manufacturers Association said Tuesday [21 June].

The figure totals such purchases by local units of Japanese automakers operating in the United States and imports by their parent companies at home, said Tatsuro Toyoda, head of the association.

Toyoda, also president of Toyota Motor Corp., expressed concern, however, that such purchases have not been increasing enough to reach the earlier targeted amount of 19 billion dollars by the end of the current fiscal year through next March 31.

"I hope each automaker will make further efforts so we can accomplish the target," Toyoda said at a meeting with the press.

In fiscal 1993 which ended on March 31, local units of Japanese carmakers bought about 12.9 billion dollars worth of U.S. auto parts, up 15.7 percent from the year before.

Purchases by their parent companies amounted to 2.6 billion dollars, up 6.8 percent. Parent firms were less active in buying because of sluggish sales in the recession-hit domestic market.

The year-on-year 14.1 percent increase in the total figure compared with a 29.4 percent rise in the previous year.

The association said that as long as domestic sales remain slack it will be hard for Japanese automakers to reach the target this year.

The United States has suggested making annual purchase targets for American-made car parts by Japanese automakers for fiscal 1995 to 1997 one of the "objective criteria" for the bilateral trade "framework" talks.

The two countries are discussing what kinds of criteria are suitable for evaluating Japan's efforts to open its market for foreign products and services.

Industry sources see the slow increase in car parts purchases by Japanese automakers this business year as possibly affecting the talks.

U.S. Embassy Statement on Deregulation Efforts

OW2106065394 Tokyo KYODO in English 0637 GMT 21 Jun 94

[Text] Tokyo, June 21 KYODO—The United States on Tuesday [21 June] issued a statement welcoming Japan's current efforts toward economic deregulation.

The statement, issued by the U.S. Embassy in Tokyo, said the U.S. welcomes the ongoing government review of the laws and regulations governing the Japanese economy.

It expressed hope that the review "will result in elimination of the wide range of unnecessarily restrictive regulations and administrative procedures which burden and restrain the Japanese economy."

In the past bilateral "framework" trade talks, the U.S. presented Japan with specific reform proposals in the area of deregulation, competition policy, administrative procedures and distribution, the statement said.

It said the U.S. hopes these proposals will be incorporated in the upcoming Japanese deregulation package.

Hata: Yen's Rise Caused by 'Speculative Buying'

OW2206033794 Tokyo KYODO in English 0306 GMT 22 Jun 94

[Text] Tokyo, June 22 KYODO—Prime Minister Tsutomu Hata said Wednesday that the yen's sharp rise against the U.S. dollar stemmed from speculative buying.

"The yen's appreciation is speculative," the premier told reporters in the Diet building and predicted the speculative mood will not last long.

Hata called an emergency meeting of key cabinet ministers at noon on Tuesday to exchange views on the Japanese currency's surge.

Attending the meeting were Hata, Finance Minister Hirohisa Fujii, International Trade and Industry Minister Eijiro Hata, Foreign Minister Koji Kakizawa, Economic Planning Agency Director General Yoshio Terasawa and Chief Cabinet Secretary Hiroshi Kumagai.

"I think it's important for the cabinet to grasp the situation properly," Kumagai told a news conference.

The top government spokesman said the government should take necessary measures to spur domestic demand and boost the nation's sluggish economy so as to stem the yen's rise against the dollar.

The dollar opened at a postwar low of 100.35 yen in Tokyo on Wednesday, down 1.80 yen from Tuesday's closing rate of 102.15 yen.

The dollar's opening plunge against the yen followed its overnight nosedive in New York, where the currency temporarily hit a postwar low of 99.85-95 yen on reports of a widened U.S. trade deficit for April.

The dollar's previous global low was 100.40 yen recorded in Tokyo on Aug. 17, 1993.

The U.S. currency ended New York trading at 100.10-20 yen, regaining the 100 yen level on technical buying amid fears of central bank intervention.

Cabinet Members To Hold 'Emergency' Meeting on Yen

OW2206025194 Tokyo KYODO in English 0246 GMT 22 Jun 94

[Text] Tokyo, June 22 KYODO—Key cabinet members will meet at noon Wednesday [22 June] to discuss the yen's surge against the dollar and its possible dampening

effects on the just-emerging recovery of the Japanese economy, government officials said.

The yen soared to a new global postwar low of 99.85-95 yen in New York at one point Tuesday before finishing at 100.10-20 yen.

The emergency cabinet meeting will discuss primarily the need to keep in close contact with other industrialized countries and jointly intervene in the currency markets to arrest the yen's ascent, the officials said.

In addition, the meeting will reconfirm that no time should be lost in drafting a tax reforms program and other macroeconomic policies and deregulatory steps, they said.

The noon meeting will bring together Prime Minister Tsutomu Hata, Finance Minister Hirohisa Fujii, Chief Cabinet Secretary Hiroshi Kumagai, and Yoshio Terasawa, director general of the Economic Planning Agency (EPA).

Key Cabinet Members Discuss Yen's Rise

OW2206051694 Tokyo KYODO in English 0511 GMT
22 Jun 94

[Text] Tokyo, June 22 KYODO—Prime Minister Tsutomu Hata and key cabinet ministers on Wednesday reaffirmed Japan will keep in close contact with other Group of Seven (G-7) major industrialized nations to hold the yen's spurt in check.

They also reconfirmed the need to institute domestic economic reform, steadily implement measures outlined in the government's February pump-priming package and flesh out a market-opening package unveiled in March, a government spokesman said.

Hata and his top aides agreed that the yen's movement has a strong impact on the just-emerging recovery of Japan's economy, Deputy Chief Cabinet Secretary Naoto Kitamura told reporters.

Hata convened the emergency cabinet meeting following the yen's overnight surge in New York to a new global postwar record high of 99.85-95 yen against the dollar.

At the gathering, Finance Minister Hirohisa Fujii voiced concern about the yen's violent fluctuations and spoke of the need for Japan to keep in close touch with other G-7 nations to stabilize the currency markets, Kitamura said.

The dollar ended Wednesday morning in Tokyo at 101.15 yen, down 1.00 yen from Tuesday, after opening at a postwar record low in Tokyo of 100.35 yen.

Attending Wednesday's meeting were Hata, Fujii, International Trade and Industry Minister Eijiro Hata, Foreign Minister Koji Kakizawa, Economic Planning Agency Director General Yoshio Terasawa and Chief Cabinet Secretary Hiroshi Kumagai.

Fujii on 'Appropriate,' 'Timely' Actions on Yen

OW2106012394 Tokyo KYODO in English 0056 GMT
21 Jun 94

[Text] Tokyo, June 21 KYODO—Japan will take "appropriate and timely" measures to stem any excessive rise of the yen that could put a damper on the recovering economy, Finance Minister Hirohisa Fujii said Tuesday [21 June].

"As I have repeatedly said, we are in close contact (with other Group of Seven nations) to take appropriate and timely measures," Fujii told a news conference after a morning cabinet meeting.

Referring to the yen's rise to the 101 yen level against the dollar Monday in overseas markets, Fujii quoted market participants as saying the move stemmed from the German mark's strengthening.

Asked about the impact of the yen's rise on Japan's economy, Fujii said, "As Bank of Japan Governor Yasushi Mieno and I have been saying at the Diet, the economy is moving toward a recovery, but the yen's rise is worrisome."

Concerning falling stock and bond prices, Fujii said he wants to "watch for a while" and that he should refrain from commenting on day-by-day movements.

Fujii Contacts G-7 Nations on Yen Appreciation

OW2206103594 Tokyo KYODO in English 1018 GMT
22 Jun 94

[Text] Tokyo, June 22 KYODO—Finance Minister Hirohisa Fujii said Wednesday he contacted other G-7 major nations when the dollar plunged overnight in New York, but refused to comment on why noticeable joint actions like in May were not taken.

"We were and are in close contact (with other Group of Seven major nations)," Fujii told a press meeting in reference to the dollar's temporary fall below 100 yen for the first time in the postwar period.

Asked why G-7 nations did not move jointly to defend the fall below that level, as was done in May, Fujii said he could not comment on details of the talks, and simply stressed that the G-7 accord to stem excessive currency volatility remains unchanged.

When the dollar plunged in May, nearing the 100 yen level, G-7 nations stepped jointly into the markets, and in an unusual move U.S. Treasury Secretary Lloyd Bentsen issued a statement confirming the concerted intervention.

Fujii declined to comment on whether G-7 nations should renew the message, and noted, "let me just say that we are in close contact."

As for Japan, the finance minister said he will take "firm actions" to stem the yen's rise, toning up his comments from "appropriate and timely measures."

Describing the currency movements as "speculative and rapid," he said, "it is bad not only for that nation but also for the world economy."

Fujii also reiterated that the yen's rise is the major concern along with labor conditions for the Japanese economy, which is moving toward a recovery.

Asked about monetary and fiscal policies given the yen's rise, Fujii said there will be no changes on the fiscal side, and his ministry will continue pursuing the already-launched measures.

Monetary policies are for the Bank of Japan to decide, he noted, refusing to comment.

He referred particularly to the February 15.25 trillion yen stimulus package, which included 5.5 trillion yen in income tax cuts for the current fiscal year, and the fiscal 1994 budget poised to pass the Diet soon after a long delay.

On full-fledged tax reform promised in the March market-opening package, Fujii repeated his call on the government and the ruling parties to finalize the reform bills by the end of the month with concrete scale and dates for permanent tax cuts and an offsetting consumption tax hike.

The government's Tax Commission and a coalition forum on Tuesday issued separate reports on the tax reform, with both leaving out concrete figures and dates for later.

Political uncertainties are mounting, however, with the largest opposition Liberal Democratic Party set to submit a no-confidence motion against the minority cabinet of Prime Minister Tsutomu Hata, which could cause further delay in the tax reform process.

On deregulation, also promised in the March package, Fujii said his ministry is ready to present "appropriate" steps.

Fujii To Take 'Firm Action' Against Dollar

*OW2206015094 Tokyo KYODO in English 0142 GMT
22 Jun 94*

[Text] Tokyo, June 22 KYODO—Finance Minister Hirohisa Fujii said Wednesday [22 June] he will take firm action against the dollar's downslide while keeping close contact with other Group of Seven industrialized nations.

Fujii was asked for comment on the dollar's tumble below 100 yen at one point for the first time in the postwar period in New York overnight.

Describing the dollar's dip below 100 yen as rapid and speculative, Fujii pointed out that it will have a negative impact not only on the Japanese economy but also on the global economy.

Auto Industry Asks Government To Stop Yen's Surge

*OW2206033694 Tokyo KYODO in English 0314 GMT
22 Jun 94*

[Text] Tokyo, June 22 KYODO—The Japanese auto industry asked the government Wednesday [22 June] to make maximum efforts to arrest the yen's surge against the dollar, a Trade Ministry official said.

Tatsuro Toyoda, head of the Japan Automobile Manufacturers Association, made the request during a breakfast meeting with senior officials of the Ministry of International Trade and Industry (MITI), including MITI chief Eijiro Hata, the official told a press conference.

The auto industry has strived to reinforce its earnings position through globalization of business operations so as not to be easily affected by exchange rate swings, Toyoda was quoted as saying.

"But an excessively strong yen would put a drag on such efforts," he said.

Hata shared the auto industry's concern over the latest yen rise, saying the yen has appreciated against the dollar to a worrisome level, the official said.

The dollar slipped below 100 yen in overnight New York trading for the first time, sinking briefly to a record global low of 99.85 yen.

"An excessive strength of the yen could dampen burgeoning recovery in auto sales," said Toyoda, who is also president of Toyota Motor Corp. He said he hoped the government will take action to drive down the yen to "adequate levels."

On the trade front, the auto industry renewed its request to the government to hold firm to a policy of rejecting any U.S. proposals that would lead to introduction of "numerical targets," the MITI official said.

Yoshifumi Tsuji, president of Nissan Motor Co., was quoted as saying, "The United States has pledged not to seek numerical targets but the auto industry is concerned the issue will be revived during ongoing auto trade talks between the two countries."

Hata replied that Japan will seek to settle the trade talks with the U.S. in a manner that will not draw criticism from the global community, the MITI official said.

"Japan will say what it should say in line with the spirit of a new global trade order to be formed under the World Trade Organization," Hata was quoted as saying.

LDP Confirms Support of No-Confidence Motion

*OW2206035794 Tokyo KYODO in English 0350 GMT
22 Jun 94*

[Text] Tokyo, June 22 KYODO—Prime Minister Tsutomu Hata expressed hope Wednesday that the Social Democratic Party (SDP) [Social Democratic Party of Japan (SDPJ)] would return to the ruling coalition, almost two months after the SDP left the coalition in protest. But Hata declined to comment on the timing of a top-level meeting with SDP Chairman Tomiichi Murayama, who is under fire from rank and file members of his own party for his calls to the Hata cabinet to voluntarily resign.

The SDP on Tuesday unveiled a blueprint of a potential new coalition government as agitation increases among SDP legislators to rejoin the coalition, which the party quit in April to protest the sudden formation of a parliamentary group excluding the SDP.

Yohei Kono, president of the Liberal Democratic Party (LDP), the largest opposition group, told reporters Wednesday morning he is not sure if the SDP is really serious about allying with the coalition once again.

At a high-level meeting on Wednesday morning, the LDP confirmed that it will submit a no-confidence motion against Hata's minority government. The LDP's action is expected to come after the passage—possibly on Thursday—of the fiscal 1994 state budget, LDP sources said. But some LDP lawmakers have cautioned against such a step, saying a no-confidence motion would not pass in the 511-member lower house without the help of the SDP, the LDP sources said.

LDP officials said Kono met former foreign minister Michio Watanabe to seek the LDP Stalwart's support for the campaign to oust the Hata cabinet from power.

More on LDP's No-Confidence Motion

*OW2206084694 Tokyo KYODO in English 0843 GMT
22 Jun 94*

[Text] Tokyo, June 22 KYODO—The main opposition Liberal Democratic Party (LDP) formally decided Wednesday [22 June] to submit a no-confidence motion against the coalition government of Prime Minister Hata, party officials said.

The LDP approved submission of the motion at the party's decision-making Executive Council.

The LDP is scheduled to submit the motion immediately after the Diet passage of the long-overdue government-proposed budget for fiscal 1994. The current Diet session ends June 29.

The LDP's decision came amid a series of strategic talks held separately between the Social Democratic Party, which quit the ruling alliance in April, and coalition parties seeking to lure the SDP back into the fold.

Hata, Murayama To Discuss SDPJ Return to Coalition

*OW2106154094 Tokyo KYODO in English 1513 GMT
21 Jun 94*

[Text] Tokyo, June 21 KYODO—Prime Minister Tsutomu Hata's ruling coalition is headed for crucial reconciliation talks with the Social Democratic Party (SDP) [of Japan—SDPJ] which holds the key to the fate of his minority government.

SDP Chairman Tomiichi Murayama said he will call on Hata, hopefully Wednesday [22 June], to discuss the SDP's policy platform, adopted late Tuesday, and the party's possible return to the ruling coalition.

The SDP, the second largest opposition party, will not submit a no-confidence vote during the course of talks, whose outcome should determine the survival of Hata's two-month-old cabinet, Murayama said.

Meanwhile, the largest opposition Liberal Democratic Party (LDP) decided the same day to formalize the party policy of submitting a no-confidence motion against the Hata cabinet after the long-overdue fiscal 1994 budget clears the last Diet hurdle on Thursday.

With the opposition camp raising the ante through their political maneuvering, the ruling coalition extended its own overture to the SDP to rejoin their camp, officially proposing talks to the socialists. The coalition is pinning hopes on its efforts to woo the SDP back into their group in order to defeat the LDP's planned no-confidence vote.

The SDP platform has been welcomed by both the ruling coalition and the LDP, which is seeking to create a stopgap cabinet with the SDP through early elections.

The SDP policy outline calls for making the policy-making process within the coalition more "democratic" and proposes a tax reform centered on raising indirect taxes. The party stormed out of the ruling coalition in April in a row over a move by some coalition partners to create a new Diet bloc without the socialists, which the SDP viewed as an attempt to put them on the back-seat in policy making.

The outline also urges passage in the next Diet session of the bills for redrawing the electoral map for a new election system of single-seat constituencies combined with proportional representation for the House of Representatives, to replace the current multi-seat system.

Ruling coalition lawmakers immediately showed a readiness to embrace the SDP proposals. "At first sight, there are no problems (with the platform)," said a top government official.

A senior official of Komeito [Clean Government Party], a key component of the coalition, concurred, saying, "the hurdles (for an agreement) are not high. The proposals show (the SDP) is seriously thinking about returning to the coalition."

The SDP's government blueprint also met a welcome from the LDP, which needs the socialists' support to pass the no-confidence vote. "The contents (of the proposals) are nothing that we have to refuse at the negotiating table," a senior party policy maker said. "No obstacles exist to our acceptance," another senior official said.

Even if the ruling coalition and the socialists agree to link up again, it remains unclear whether Hata will retain office due to disarray within the SDP.

SDP lawmakers who support Murayama called first for Hata's resignation, and a no-confidence motion if Hata should refuse the call. On the other hand, SDP right-wingers led by Wataru Kubo, the party's secretary general, are placing top priority on a return to the ruling camp and are reluctant about demanding that Hata step down before the results of the realignment talks become clear.

SDPJ Shows Interest in Rejoining Ruling Coalition

OW2206104294 Tokyo KYODO in English 1022 GMT 22 Jun 94

[Text] Tokyo, June 22 KYODO—The opposition Social Democratic Party (SDP) [of Japan, SDPJ] displayed willingness Wednesday to mend frayed ties with the ruling coalition, from which it split in April, by presenting a policy outline at the outset of crucial realignment talks.

The SDP put forth its platform on forming a new government during separate talks with the ruling coalition, the leading opposition Liberal Democratic Party (LDP) and New Party Sakigake [Harbinger].

In talks with Prime Minister Tsutomu Hata's minority coalition, SDP Secretary General Wataru Kubo expressed strong interest in returning to the ruling camp, party officials said. "We feel responsibility for destabilizing the government," he said in a meeting with Ichiro Ozawa, Shinseito [Japan Renewal Party] secretary general and the coalition's key strategist, and other coalition officials.

The SDP broke off from the coalition in April immediately following Hata's election as premier after its partners moved to create a new Diet bloc, excluding the SDP. The party interpreted the step as an effort to put it in the backseat in policy-making.

In Wednesday talks, the SDP and the coalition agreed on an early summit between Hata and SDP Chairman Tomiichi Murayama to iron out key policy differences. The main issues on the negotiation table are the timing of submitting bills to redraw electoral districts for the House of Representatives, a proposed consumption tax hike and the manner of policy-making within the coalition. The two sides will hold the second round of talks Thursday morning.

The SDP made clear its primary target is rapprochement with the coalition, at least for now, rather than an alliance with the LDP, the SDP's longstanding rival, the officials said.

The SDP turned down the LDP's overture for immediate talks to create a stopgap cabinet for a snap election.

The LDP, which formally decided the same day to submit a no-confidence motion against the Hata cabinet after the budget is passed, readily embraced the SDP policy blueprint and pressed the socialists to join hands with the party. The SDP response was noncommittal.

The coalition also greeted the SDP's proposals with eagerness, and Ozawa expressed hope for cooperation with the SDP to create "a government with a strong foundation."

The coalition also showed a compromising posture on the key issue of a consumption tax hike, a touchy issue for the SDP, by deciding in an executive meeting to delay a final decision on the size of the hike.

The coalition's solo exception to the SDP plan concerned bills to redraw electoral maps for the lower house in line with political reform bills enacted in January.

Ozawa called for such bills to be submitted to the current Diet session, which ends next Wednesday, while the SDP wants them submitted in the next session to avoid an extension of the current term.

The apparently smooth start of realignment talks notwithstanding, the fate of the two-month-old Hata cabinet remains unclear, political analysts said.

The SDP leadership is under pressure from party members who are leery about their leaders' readiness to return to the coalition, according to the analysts.

Kubo, a pro-coalition leader, underscored awareness of the skepticism by telling Sakigake [Harbinger] officials that the SDP still wants Hata's resignation.

Kubo said the SDP blueprint "doesn't indicate acceptance of the current government. The role of the Hata cabinet will come to an end when the budget passes the Diet."

Ruling and opposition parties agreed the same day to pass the budget bills through the House of Councillors Thursday evening to making them law. The spotlight will then be cast on the SDP, which holds a key in the nation's political course.

Failure of the SDP-coalition talks would certainly lead to passage of a no-confidence vote against the Hata cabinet, leaving Hata with an unpalatable choice of stepping down with his ministers or dissolving the lower house for snap polls.

Even if the talks prove successful and pave the way for the SDP's reentry into the ruling camp, Hata may still be forced to leave office, bowing to a possible SDP demand, SDP sources said.

It is also possible that some SDP lawmakers will break ranks with party leadership and support the LDP plan for a no-confidence vote, the sources said.

In any course, the Hata administration will face a critical test of survival in the days following the expected passage of the long-overdue budget Thursday, political analysts said.

SDPJ, Coalition 'Will Agree' on Policy Platform

*OW2206150394 Tokyo KYODO in English 1451 GMT
22 Jun 94*

[Text] Tokyo, June 22 KYODO—The Social Democratic Party (SDP) [of Japan—SDPJ] and the ruling coalition will agree on a policy platform to pave a way for the SDP's return to the coalition, a senior SDP official said Wednesday [22 June] night.

SDP Chairman Tomiichi Murayama and Prime Minister Tsutomu Hata will hold a meeting as early as Thursday and strike a deal, the official said.

Business Leaders Oppose Diet Dissolution, Elections

*OW2106042494 Tokyo KYODO in English 0345 GMT
21 Jun 94*

[Text] Tokyo, June 21 KYODO—Japan's top business officials banded together Tuesday [21 June] to oppose an early dissolution of the Diet and a snap general election.

The heads of the country's four major business lobbies agreed in a joint statement issued after their meeting that "disbanding of the Diet and a following snap election, which would create a political vacuum, should be avoided at all costs."

The joint statement also said the ruling coalition and the opposition camp should realize political reforms through constructive debate and that the next general election should be conducted under the new single-member constituency system after the electoral map is redrawn.

The Tuesday meeting brings together Shoichiro Toyoda, chairman of the Federation of Economic Organizations (Keidanren), Kosaku Inaba, Chairman of the Japan Chamber of Commerce and Industry, Takeshi Nagano, president of the Japan Federation of Employers Associations, and Masaru Hayami, chairman of the Japan Association of Corporate Executives.

At the meeting, Nagano, who attended a recent International Labor Organization (ILO) meeting, reported that the European economy has been showing healthier signs although a recovery has not yet been in sight.

The four business leaders agreed that the Japanese economy is at a similar stage.

Hosokawa Denies Financial Irregularities

*OW2106125194 Tokyo KYODO in English 1047 GMT
21 Jun 94*

[Text] Tokyo, June 21 KYODO—Former Prime Minister Morihiro Hosokawa on Tuesday [21 June] denied allegations that he falsely told the Diet he repaid both principal and interest on a 100 million yen loan from the scandal-ridden Sagawa Kyubin trucking group.

"What I said during a news conference (on April 8) is identical to my answers to legislators' questions at the Diet," Hosokawa told a session of the House of Representatives Budget Committee.

"I came to know the fact that my office had handled interest on the loan from Sagawa Kyubin as political donations based on my political office's report to me, shortly before my April 8 announcement of resignation as prime minister," said Hosokawa who testified at the committee under oath.

While in office, Hosokawa repeatedly told the Diet that he had repaid both interest and principal on the loan from the Sagawa Kyubin group, which was involved in the 1992 money-and-mobster scandal that led to the downfall of one-time political kingpin Shin Kanemaru.

However, he told the April 8 news conference that his political office had accepted the interest on the loan as political donations on the basis of an agreement with Sagawa Kyubin that offered to give up the interest Hosokawa owed to the trucking group as a form of political donation.

Hosokawa also denied allegations that he falsely told the Diet that his father-in-law Shohei Ueda initiated a deal to obtain 300 shares in Nippon Telegraph and Telephone Corp. (NTT) and he merely pledged his condominium in Tokyo as collateral to secure a loan to help his father-in-law buy the shares.

"I was negative, rather than positive, regarding a proposal to purchase the NTT shares, but I instructed my secretary (Masatoshi) Miyama to offer the condominium in (Tokyo's) Motoazabu area as collateral as my father-in-law asked me to provide collateral to help him buy the NTT shares," he said.

Hosokawa's sworn testimony comes as the country's two largest political parties, the Liberal Democratic Party (LDP) and the Social Democratic Party (SDP), are preparing to submit a no-confidence motion against the minority government of Prime Minister Tsutomu Hata. Both the LDP and SDP are in opposition.

Diet sources said both the LDP and the SDP want to secure a pretext that would justify their separate moves in tabling the no-confidence motion.

Hosokawa, leader of the Japan New Party, one of the coalition parties, and his coalition partners have long resisted demands from the opposition to appear before the Diet panel to testify on the allegations of his alleged financial irregularities.

The coalition maintained the panel's decision last Thursday to summon Hosokawa is invalid, noting that the committee's chairman Tsuruo Yamaguchi of the SDP contravened a parliamentary practice of deciding on a summons only through consensus among all the parties.

During Thursday's committee session, legislators of the ruling coalition voiced opposition to the proposal to summon Hosokawa. But Yamaguchi declared that his committee decided to summon the former prime minister without dissent.

Earlier Tuesday, Hosokawa told a hastily arranged news conference that he will not appear in Tuesday's committee session but will testify if the ruling and opposition parties agree to summon him.

But following backstage talks, both camps later agreed to summon Hosokawa on condition that the committee chairman explain about the summons.

At the outset of the panel's session, Yamaguchi said, "I am sorry for the current situation and the committee will not make it a precedent" to summon a witness without securing a consensus from committee members.

The ruling coalition's refusal to allow Hosokawa to testify over the 1982 loan from Sagawa and the 1986 purchase of NTT shares has stalled Diet debate on the long-overdue fiscal 1994 state budget, whose quick passage has been deemed necessary to provide fiscal stimulus to the stagnant Japanese economy.

The Diet sources said the ruling coalition decided to withdraw its objection to the summoning of Hosokawa for fear that the opposition may accuse it of a cover-up over the truth about Hosokawa's alleged financial improprieties.

Such an accusation could become a pretext strong enough to justify a possible submission of the no-confidence motion, the sources said.

The House of Councillors is expected to pass the budget on Thursday. The budget has already cleared the lower house. The current regular Diet session is to expire on June 29.

Earlier in the day, LDP executives agreed to decide on Wednesday to submit the no-confidence motion, LDP officials said.

The SDP has demanded Hata and his cabinet ministers voluntarily resign en masse after passage of the budget to pave way for the formation of a new coalition government, in which the SDP would participate.

During the questioning which lasted for two hours and 45 minutes, Hosokawa dismissed as a "misunderstanding" Diet testimony by investment consultant Shuzo Fujiki, who had interpreted the NTT share purchase as a deal initiated by Hosokawa himself and not by Hosokawa's father-in-law.

Fujiki said he helped Hosokawa acquire a huge loan to finance the purchase of the 300 NTT shares by introducing a Tokyo-based stock investment financing company ready to extend the huge loan in view of Hosokawa's creditworthiness as then Kumamoto governor.

Hosokawa also testified that he has already settled another controversy over his acknowledged failure to declare to tax authorities an income accruing from investment of his personal assets worth 57 million yen.

He said the problem has been alleviated as he submitted to the authorities a revised tax return that carries the accounts of the investment profits.

Space Budget Under Public Works Spending Urged

OW2106092094 Tokyo KYODO in English 0903 GMT 21 Jun 94

[Text] Tokyo, June 21 KYODO—The Federation of Economic Organizations (Keidanren) will submit a report soon to the government to urge that a budget for space exploration be incorporated in a public works spending program currently being worked out, Keidanren officials said Tuesday [21 June].

The top Japanese business lobby has prepared the report for presentation to the Finance Ministry, the Science and Technology Agency and other government departments, the officials said.

The government should increase its annual space budget 2.5-fold to 500 billion yen and appropriate part of the budget from the public works investment program, the report says.

Specifically, the report calls for the development of spacecraft for technical tests and a satellite-based earth observation system under the budget.

It says science and technology for space exploration is essential for development of a wide range of industrial technology and useful as a bargaining chip in negotiating the introduction of foreign technology.

Combustion Tests on First-Stage Rocket Motor

OW2106045494 Tokyo KYODO in English 0409 GMT 21 Jun 94

[Text] Noshiro, Japan, June 21 KYODO—Combustion tests were held Tuesday [21 June] morning for the first-stage rocket motor of Japan's largest solid-fuel rocket being developed to launch scientific satellites.

The tests on a prototype of M14, the first-stage rocket motor of the three-stage M5 rocket, were conducted in Noshiro, Akita Prefecture, in northern Japan, by the Institute of Space and Aeronautical Science under the Education Ministry.

Test results will be announced Tuesday evening, institute officials said.

The M5 is to be used for launching three Japanese scientific satellites, beginning in fiscal 1996.

No Hitches in Test Firing of M-14 Rocket

OW2106133894 Tokyo KYODO in English 1257 GMT 21 Jun 94

[Text] Noshiro, Japan, June 21 KYODO—The first-stage motor of the three-stage M-5 rocket, Japan's largest solid-fuel rocket for launching space exploration vehicles, was successfully test-fired Tuesday [21 June], the Education Ministry said.

The test was conducted at the ministry's Institute of Space and Aeronautical Science rocket test site at Noshiro in Akita Prefecture on the west coast of northern Japan.

The M-14 motor has a diameter of 2.5 meters, a length of 13.7 meters, and weighs 92 tons. It can develop a thrust of up to 382 tons.

The test team said the fuel used in the test matched their expectations and the equipment regulating the thrust operated normally.

The fuel was ignited at 11:30 A.M. under a cloudy sky with a strong easterly wind. About 71 tons of fuel was consumed over 80 seconds.

Journalists covering the event about a kilometer away could hear the rumbling of the horizontally positioned motor as it spewed orange flame and white smoke out over the Sea of Japan.

Development of the M-5 began in the 1990s, but was delayed because it was accorded lower development priority than the smaller 1.8-meter-diameter solid-fuel rocket booster used in the National Space Development Agency's large-scale liquid-fuel rocket, the H-2.

This autumn, in-flight combustion tests of the second-stage motor, M-24, will be conducted, and in 1995, fuel will be tested in a second experimental version of the M-14 using the same high-tensile steel as in the actual rocket.

The first rocket is scheduled to carry a scientific satellite known as Muses-B from the Kagoshima Space Center in 1996.

Media Industry for 21st Century To Be Studied

OW2206114794 Tokyo KYODO in English 0946 GMT 22 Jun 94

[Text] Tokyo, June 22 KYODO—The Posts and Telecommunications Ministry will set up a study group in July on a new framework for media industries in line with the prospective multimedia era, ministry officials said Wednesday [22 June].

The study group will be comprised of experts and representatives from various media industries, ranging from newspaper, broadcasting and cable television to telecommunications.

They will examine, for instance, how those industries can share access to optical fiber communication networks, and discuss charges for their use, the officials said.

Rules for new participants in the multimedia services will also be examined, they said, adding that existing regulations on telecommunications and broadcasting industries should also be reviewed.

In May, an advisory committee to the posts minister submitted a report urging legal preparations for the upcoming multimedia era, which will inevitably reshape the media industry.

North Korea

Acceptance of ROK Proposal for Contact Noted

SK2206044694 Pyongyang Korean Central Broadcasting Network in Korean 0400 GMT 22 Jun 94

[Text] In connection with the issue of holding preliminary contact for North-South top-level talks [choegow-igup hoedam], Kang Song-san, premier of the DPRK Administration Council, today sent a telephone message to South Korean Prime Minister Yi Yong-tok.

The content of the telephone message is as follows:

Bringing an end to North-South mistrust and confrontation and opening a new phase in independently and peacefully reunifying the fatherland without depending on outside force through top-level talks is a policy we have consistently adhered to for a long time. The tense situation in the country today makes it all the more urgent for the North and South to hold top-level talks.

I think it fortunate that at such a time your side has expressed the position of holding top-level talks this time and, under authorization, notify your side that we welcome your side's proposal for holding a preliminary contact for North-South top-level talks and agree to it.

Holding the top-level talks of the two sides will be a historic event that will give our 70 million fellow countrymen the joy of national reconciliation and unity and a new hope for peace in the country and its independent, peaceful reunification.

To successfully hold North-South top-level talks, on which attention from home and abroad has been focused, our side will send a three-member delegation led by a vice premier-level official and four accompanying officials to your side's area in Panmunjom at 1000 on 28 June, Tuesday.

KCNA on Telephone Message

SK2206041694 Pyongyang KCNA in English 0408 GMT 22 Jun 94

["Telephone Message to South Korean 'Prime Minister'"—KCNA headline]

[Text] Pyongyang, June 22 (KCNA)—Kang Song-san, premier of the DPRK Administration Council, sent a telephone message today to South Korean "Prime Minister" Yi Yong-tok regarding a preliminary contact for North-South top-level talks.

The message says:

It is a policy we have consistently maintained from long ago to remove distrust and confrontation between the North and the South and open a new phase of national reunification independently and peacefully without dependence on outside forces through top-level talks.

The acute situation prevailing in the country makes it all the more urgent for both the North and the South to hold top-level talks.

I think it lucky that at such a time your side expressed its readiness to hold top-level talks with us. I have been authorized to notify you that we welcome and agree to your side's proposal to hold a preliminary contact for the North-South top-level talks.

The holding of the top-level talks between the sides will be a historical event bringing joy of national reconciliation and unity to our 70 million fellow countrymen and giving a new hope of peace and independent and peaceful reunification of the country.

Our side will send a three-member delegation headed by an official of vice-premier level and four suite members to your side's portion of Panmunjom at 10:00 [0100 GMT] June 28 (Tuesday) in order to successfully arrange the North-South top-level talks on which the concern and expectations of the people at home and abroad are being focused.

Foreign Media Reportage on Carter Visit Noted

SK2206010694 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 21 Jun 94

[Text] Newspapers, news agencies, and broadcast stations of various countries reported on Former U.S. President Carter's visit to our country. The U.S. paper THE NEW YORK TIMES carried a large photograph of the great leader Comrade Kim Il-song posing with former U.S. President Carter and his entourage on the

top of the 19 June issue along with an article headlined "Carter Pays Respect to President Kim Il-song."

The article reports: Former President Carter spoke highly of President Kim Il-song. He said that President Kim Il-song is full of energy and wisdom and surprisingly has a full grasp of technical problems and the country's decisions. Carter said: "I believe there is no evidence that North Korea is developing nuclear weapons." After his visit to North Korea, Carter expressed his respect for President Kim Il-song in Seoul and denounced that the Clinton administration's sanction efforts are meaningless.

Another U.S. paper THE WASHINGTON POST reported on 19 June that Former President Carter expressed respect and admiration for the leader [yondoja] of North Korea by saying that President Kim Il-song is very energetic and intelligent, well-versed in every issue, and instantly grasped the points of the issues raised during the conversation. The paper added that Carter said he believed the third round of the DPRK-U.S. talks would be held soon.

Meanwhile, on 19 June, U.S. television CNN reported on Carter's remarks during his news conference as follows: President Kim Il-song is an energetic and intelligent person respected by his assistant functionaries. He even talks to them openheartedly. He is always respected by the people. Mr. [sonsaengnim] Kim Chong-il is a very energetic man and the whole society is filled with respect for him.

The British broadcast station BBC reported that Carter said he hoped that the talks between the United States and North Korea would be held as soon as possible.

On 20 June, Voice of America reported on the conversation between Former U.S. President Carter and President Clinton as follows: Former U.S. President Carter said on 19 June that he thinks North Korea's nuclear crisis is over. Carter reported his opinion to President Clinton and pointed out that he had come to the conclusion after a long discussion with an assistant secretary in charge of national security. Former U.S. President Carter had a 30-minute telephone conversation with President Clinton at the White House. A White House official revealed that Carter had a meeting with an assistant secretary in charge of national security for two hours and said the meeting was very useful and constructive. Carter showed satisfaction after the meeting. Carter said that he thinks the United States does not need to make efforts to pursue sanctions against North Korea in the United Nations.

The radio reported that Carter said that there is no discord between his and the Clinton government's opinions. The radio also reported that U.S. Assistant Secretary of State Gallucci said his meeting with Former President Carter was very useful and effective.

On 20 June, Japan's KYODO News Agency reported that U.S. President Clinton said that there are hopeful

signs regarding North Korea's nuclear crisis and that it will be beneficial for us to avoid additional measures and hold talks with North Korea.

Meanwhile, the White House spokeswoman said that the United States will enter a stage of preparations for the resumption of the third round of the high-level DPRK-U.S. talks.

The 19 June issue of the Cuban JUVENTUD REBELDE reported that Carter said to the journalists on 18 June that there will be a reverse effect if sanctions are imposed on the DPRK in regard to the nuclear issue, and stressed that sanctions against Pyongyang will be an intolerable humiliation to the North Korean people.

On 20 June, Russia's ITAR-TASS reported on Carter's interview with U.S. CNN as follows: I admitted that we, the United States, are driving ourselves into a corner. I felt that North Korea cannot be intimidated by threat or pressure. The news agency also reported that, according to the former U.S. President, even if sanctions are imposed, it will not affect North Korea.

ITAR-TASS Cited on 'U.S. Naval Espionage'

SK2206051094 Pyongyang KCNA in English 0459 GMT 22 Jun 94

["U.S. Nuclear Submarines Extend Espionage Against DPRK"—KCNA headline]

[Text] Pyongyang, June 22 (KCNA)—U.S. nuclear submarines are reportedly extending espionage near the coast of Korea these days.

The number of calls of U.S. nuclear submarines at ports on the west coast of Japan last year jumped remarkably. The submarines called at the White Beach Base of the U.S. Navy in Okinawa on 17 occasions at maximum and frequent the Sasebo Base in Nagasaki prefecture and the Yokosuka Port.

The brisk activities of U.S. nuclear submarines are related to the expanded scope of the U.S. naval espionage against the DPRK, said ITAR-TASS June 20.

The news agency said U.S. nuclear submarines navigating along the shores of the DPRK are specialised in collection of information about the communications network of the Armed Forces of the DPRK and every possible eavesdropping of radio communications.

U.S. nuclear submarines enter Sasebo Port of Japan but stay on the waters off the harbour for more than an hour, not anchoring at the wharf, in order to hand over information, experts say.

The activation of the espionage of U.S. nuclear submarines near the coast of the DPRK coincides with the intensification of the U.S. hostile campaign to stifle the DPRK.

U.S. 21 Jun 'Aerial War Exercise' Reported

SK2206142394 Pyongyang Korean Central Broadcasting Network in Korean 1210 GMT 22 Jun 94

[Text] According to military sources, the U.S. imperialists on 21 June perpetrated aerial espionage on the northern part of the Republic by bringing an RC-135 tactical reconnaissance plane from an overseas base into the sky of South Korea.

The reconnaissance plane that flew in from a base in Okinawa, Japan ran amok in taking aerial pictures and conducting electronic air reconnaissance of the Northern Republic by flying high on the skies above Kangnung, Yangpyong, and Tokchok Island between 1100 and 1600.

In the meantime, pursuit-assault planes, vertical take-off and landing attack planes, and early-warning planes that took off from overseas bases ran madly about in a surprise bombing exercise in the skies above Yongyol, Pyongchang, and Asan Bay as operation theaters in cooperation with the flying corps of the U.S. Air Force stationed in South Korea.

The powder-reeking aerial war exercise, conducted under the command of an E-3 early-warning plane known as an aerial flying commander, was a reckless play with fire aimed at reviewing actual warfare capabilities of a coordinated strike in times of northward invasion between flying groups from overseas bases and those belonging to the U.S. Air Force stationed in South Korea.

On the same day, a formation of KC-135 refueling planes took off from a U.S. base in the Pacific region and was deployed at the U.S. Air Force base located in South Korea.

DPRK Envoy to Iran: U.S. Pressuring Pyongyang

LD2106215694 Tehran IRNA in English 2126 GMT 21 Jun 94

[Text] Tehran, June 21, IRNA—The ambassador of the Democratic People's Republic of Korea (DPRK) here, K. Yong Roi, told managing director of the Islamic Republic of Iran Broadcasting (IRIB), 'Ali Larijani on Tuesday that the U.S. has private goals behind its avowed concern about nuclear proliferation, and that it exploits the U.N. as a platform for pressuring Pyongyang, and also pulls its strings in the International Atomic Energy Organization in order to make things needlessly difficult for DPRK.

He said DPRK is interested in talks with South Korea and that already many meetings have been held between the officials of the two Koreas.

Larijani said the Islamic Republic of Iran has valued its friendly relations with DPRK which, he said, is obviously annoying to the United States.

He said Iran would all the same continue to support the anti-imperialist position of the Democratic People's Republic of Korea.

Radio Describes 'Unusual Moves' at US Bases

*SK2106045394 Pyongyang Korean Central
Broadcasting Network in Korean 2212 GMT 20 Jun 94*

[Text] According to reports, unusual moves [simsangchi anun umjigimdul] are being made on U.S. Army bases in Japan at a time when the U.S. hostile policy of crushing the Republic is becoming all the more obvious [migugui pan konghwaguk choktaesi apsal chaektongi poda nogorhwa toego innun kotkkwa ttaerul kachi hayo].

U.S. battleships frequently enter and leave port at the Yokosuka base, the sortie ground of the U.S. Seventh Fleet. The flagship Blue Ridge left port on the morning of 17 June, following the sailing out of port by the large naval destroyer (Pipe). Four U.S. warships—including the missile cruiser Mobile Bay, the naval destroyer O'Brien, and an oil tanker—are at anchor at this base, and the aircraft carrier Independence that participated in the Rimpac-94 joint military exercise, will return there.

The Independence abruptly made an unplanned call at this base to be refueled on the evening of 3 June and left port on the following day without any accompanying ship.

Foreign media reported that this aircraft carrier had received an order from the U.S. secretary of defense to stay in waters, from which it can get to the Korean peninsula within a week.

The U.S. ammunition ship Mauna Kea recently made port in this base and brought a large amount of ammunition in the (Urago) ammunition repository for two days.

U.S. military planes are busy conducting exercises in the Iwakuni base, an air base of the U.S. Marine Corps where 38 military planes including various attack planes and electronic warplanes are deployed.

Witnesses said that FA-18 attack planes were carrying out an exercise of flying toward the North, AV-8B attack planes carried by the amphibious assault ship Belleau Wood were conducting a vertical taking off and landing exercise.

Nuclear-powered submarines have unusually and frequently entered and left port at the Sasebo base in Nagasaki Prefecture since the beginning of the year. The number of ammunition ships and refueling ships entering port is also increasing. The number of ammunition and refueling ships that entered port in this base this year is 82, up 60 percent from the same period last year. Most of those refueling ships come from South Korea.

The U.S. Forces in Okinawa are carrying out exercises, under the simulation of sanctions and use of arms with Okinawa as the supposed battlefield. Troops of the U.S. Marine Corps stationed there are frenzied particularly in special operations training and exercise.

These busy moves in U.S. Army bases in Japan are arousing our extensive alert [kipun kyonggyesim].

US, ROK 'War Exercises' Moves Criticized

*SK2106024694 Pyongyang Korean Central
Broadcasting Network in Korean 1100 GMT 20 Jun 94*

[Text] The criminal maneuver by the U.S. imperialists and the South Korean puppet clique to wage a war to invade the North under the pretext of our nuclear issue has reached an extreme point. The U.S. imperialists and the puppet clique are babbling about a cooperative system in the nuclear issue, and are generally assuming a posture of actual warfare aimed at an offensive attack against the North.

At the National Assembly's National Defense Committee meeting on 9 June, the so-called puppet defense minister proclaimed that the puppet army has entered into a 24-hour emergency alert system. The puppet clique indefinitely prolonged the measure to strengthen the posture of military preparedness, which was carried out from November of last year to late March of this year. As such, all of the puppet army is under an emergency alert preparedness day in, day out.

The U.S. Forces occupying South Korea have also taken the posture of 24-hour alert preparedness, and the reinforcements of the U.S. imperialist aggression forces are thoroughly prepared to be committed to South Korea at any time. In addition, the U.S. imperialist aggression forces have completed preparation measures for a possible war on important U.S. military bases including the Osan airport and facilities, and they have completed storage of spare ammunition and oil. Also, a hot line has already been installed between the U.S. defense secretary and the puppet defense minister and is currently in use.

The puppet clique is accelerating to reorganize the local reserve force, the puppet army's detached force, so that it can play the role of a professional army in preparation for wartime.

The U.S. imperialists and the puppet clique are continuing to drag in up-to-date murderous weapons and equipments into South Korea. In March, 18 up-to-date Apache helicopters for offensive use, which is a scale of one battalion, was dispatched to South Korea. Currently, plans are being promoted to increase it to three battalions. War equipments of each branch of the service including antitank missiles, up-to-date moving radars, and vessels are continuously being brought into South Korea.

This year, the U.S. imperialists and the puppet clique are examining to take the posture of being prepared against

the North step by step and according to scenario. In April, U.S. Defense Secretary Perry flew into South Korea, examined on-the-spot the new strategy plan 5027 to attack the North, and gave new orders.

The U.S. imperialists and the puppet clique are all the more crazily carrying out military exercise aimed at a simulated war to invade the North. Under the instigation of the U.S. imperialists, the puppet clique carried out the first half of this year's joint strategic exercise in mid-May jointly by the puppet Army, Navy, and Air Force, and conducted various war exercises including air maneuvers, landing exercises, and anti-aircraft and anti-ship exercises in the northern part of Kyonggi Province and Korea's West Sea near the Military Demarcation Line on a large scale.

All facts show that the U.S. forces occupying South Korea and the puppet army have assumed a full-scale posture to invade the North, thus the situation on the Korean peninsula has reached a touch-and-go stage.

Chongukyonhap Statement on Nuclear Issue Reported

SK1806045294 Pyongyang KCNA in English 0420 GMT 18 Jun 94

["S. Korea; Chongukyonhap Calls for Peaceful Solution of Nuclear Issue"—KCNA headline]

[Text] Pyongyang, June 18 (KCNA)—The South Korean National Alliance for Democracy and Reunification (Chongukyonhap) in a statement June 16 contended that the North's "nuclear issue" should be solved in a peaceful way through a package deal between the North and the United States, a Seoul-based radio report said.

The statement said a package solution whereby to renounce the hostile policy toward the North and normalize relations with it is the only way of securing the nuclear transparency of the North as the United States wants to see and, at the same time, of ensuring the safety of the entire nation of the Korean peninsula and defending world peace.

It urged the puppet authorities to oppose "sanctions" on the North and strive for a peaceful solution of the problem and to stop acts of creating "a situation for a new security-oriented rule" on the pretext of the North's "nuclear issue" in a bid to suppress the national democratic movement and force "an endorsement of the Uruguay Round final agreement".

Papers Denounce 'Kim Yong-sam Fascist Clique'

SK2206050794 Pyongyang KCNA in English 0455 GMT 22 Jun 94

["Suppression of Patriotic Students"—KCNA headline]

[Text] Pyongyang, June 22 (KCNA)—The South Korean puppets sent several thousand police to the Hongik University in Seoul on June 18 and brutally suppressed

students affiliated with the Kwangju-South Cholla Provincial Federation of General Student Councils (Namchongnyon) who were there.

In a swipe at the suppression, papers here [word indistinct] this is a special product of the military dictatorship which is unimaginable in a democratic society.

A NODONG SINMUN analyst says:

Such a suppression is a rash act committed by those who took off even the "civilian" veil and openly unsheathed the sword of the military dictatorship.

As for the participation of students of Namchongnyon in the Seoul rally against the "parliamentary ratification of the Uruguay Round accord," there was nothing wrong in it. Checking the "endorsement of the accord" is vital to the existence of the people.

It is natural that South Korean students and people rose up in a struggle against the treacheries and despicable moves of the puppets.

The Kim Yong-sam group is facing a serious ruling crisis for its policy of North-South confrontation and rice market opening it has persistently pursued since it came to power.

It is clear to every one that the puppets resorted to such brutal crackdown, consider that if they allowed students from local areas to participate in the Seoul rally against the "parliamentary endorsement of the accord," it would develop into a massive anti-"government" struggle. The fascist suppression, however, cannot save them from their hopeless position.

A MINJU CHOSON analyst demands that the Kim Yong-sam fascist clique promptly stop the suppression of patriotic students and release the innocent students under arrest, mindful that the intensified suppression will result only in precipitating their own destruction.

ROK Students Protest 'Clique's Crackdown'

SK1806045494 Pyongyang KCNA in English 0430 GMT 18 Jun 94

[Text] Pyongyang, June 18 (KCNA)—Students in Taejon raided Taejon City and South Chungchong Provincial branches of the "Democratic Liberal Party" and staged a demonstration Friday, protesting against the fascist clique's crackdown on the South Korean Federation of General Student Councils [Hanchongnyon], according to a radio report from Seoul.

They arrived there by three trucks and threw some 30 bottles of paint at the buildings.

Seek Apology From Kim Yong-sam*SK2206045894 Pyongyang KCNA in English 0446
GMT 22 Jun 94*

["Open Apology of Traitor Kim Yong-sam Demanded"—KCNA headline]

[Text] Pyongyang, June 22 (KCNA)—The South Korean Federation of General Student Councils (Hanchongnyon) called a press conference on June 20 and strongly demanded that the traitor Kim Yong-sam make an open apology for having thrown riot police into five universities including Hongik University on June 18, according to a radio report from Seoul.

It also demanded the resignation of the puppet prime minister and home minister.

It said the police intrusion into the universities was a preparation for railroading the treacherous "bill on the Uruguay Round world trade accord" through the "National Assembly" and urged the authorities to declare to the people their will to "renegotiate the Uruguay Round accord." It stressed that the accord must never be "ratified."

Hanchongnyon demanded that the puppet authorities immediately release the students who had been taken to the police and compensate for the damages done to the furniture.

Indian Group Urges Repatriation of Prisoners*SK2106045894 Pyongyang KCNA in English 0416
GMT 21 Jun 94*

[Text] Pyongyang, June 21 (KCNA)—An inaugural meeting of the Indian Committee for the Repatriation to the North of Kim In-so and Ham Se-hwan, unconverted long-term prisoners in South Korea, was held in New Delhi on June 9 on the occasion of the month of international solidarity with the Korean people (June 25-July 27).

It was attended by M. Farooqi, secretary of the National Council of the Indian Communist Party, Jitendra Sharma, general secretary of the Indian Association of Lawyers, and others.

The participants strongly denounced the South Korean authorities for imprisoning and persecuting Kim In-so and Ham Se-hwan, prisoners of war, for more than 30 years, in wanton violation of the international law, far from sending them back to the northern half of Korea where their families are waiting for them.

A letter of protest to the chief executive of South Korea was adopted at the meeting.

The letter condemned the South Korean authorities for unreasonably refusing to send Kim In-so and Ham Se-hwan back to the North and demanded that they be repatriated without delay so that they may reunite with their families and relatives in the North.

Signature Campaign for Unity of Nation Held*SK2106120894 Pyongyang KCNA in English 1001
GMT 21 Jun 94*

[Text] Pyongyang, June 21 (KCNA)—A signature campaign for supporting "10-point Programme of the Great Unity of the Whole Nation for the Reunification of the Country" advanced by the great leader President Kim Il-song was conducted in Laos, Nepal, Ghana and Kazakhstan.

In Laos, the signature paper was signed by Maysouck Saysompheng, president of the Central Committee of the Lao Front for National Construction, and senior officials of the Lao Federation of Trade Unions, the Lao People's Revolutionary Youth Union, the Lao Women's Union and the Ministry of Education.

In Nepal, the signature paper was signed by Manik Lal Shrestha, chairman of the Nepal-Korea Friendship Association, Bishnu Sundar Pradhan, secretary general of the Nepal Committee for Supporting Korea's Reunification, Man Mohan Adhikari, president of the Central Committee of the Nepal Communist Party (United Marxist-Leninist), and other political and public figures and men of the press on behalf of the members of their organizations.

The signature paper was also signed by Roland Atta-Kesson, national chairman of the National Convention Party of Ghana, and Antonov, secretary of the Political Executive Committee of the Socialist Party of Kazakhstan, on behalf of the 60,000 members of his party.

More on Japanese Prime Minister's Nuclear Remark*SK2206052094 Pyongyang KCNA in English 0503
GMT 22 Jun 94*

["Nuclear Design Revealed"—KCNA headline]

[Text] Pyongyang, June 22 (KCNA)—The Japanese Prime Minister, Tsutomu Hata, recently told the Budget Committee of the House of Councillors and the press group that Japan "has the capacity to possess nuclear weapons."

In this regard, NODONG SINMUN today says his remarks fully revealed Japan's policy of nuclear armament which has reached the danger line.

The analyst says:

The Japanese reactionaries have accelerated nuclear arms development in secrecy, concealing a large quantity of plutonium under the cloak of "three non-nuclear principles." As Hata admitted, Japan has made all preparations and has now the capacity to massproduce nuclear weapons any time it wants. The nuclear armament of Japan is a matter of time.

Japan intends to become a nuclear power and give vent to its bitter grievances for its past defeat, behaving like a

big power, and revive its old empire. Now the Japanese ruling circles are claiming that the use of nuclear weapons is not contrary to the international law, thus revealing their intention to produce nuclear weapons and use them in overseas aggression. Their alleged "maintenance of the three non-nuclear principles" and "efforts for nuclear non-proliferation" are nothing but a smokescreen to cover up the nuclear armament of Japan.

Japan is the only A-bomb victim in the world. For such a country to seek nuclear armament, forgetful of the lesson, is a foolish act inviting a nuclear holocaust.

Students of Chongnyon University Meet Yi In-mo

*SK1806045394 Pyongyang KCNA in English 0429
GMT 18 Jun 94*

[Text] Pyongyang, June 18 (KCNA)—The members of the home-visiting group of students of Korean University under the General Association of Korean Residents in Japan (Chongnyon), staying in the socialist homeland, met here on Friday Yi In-mo, a former war correspondent of the Korean People's Army who is now widely known as the incarnation of faith and will.

Saying the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il revived him who was all but dead and have constantly shown paternal loving care for him, Yi told them that one can surely emerge victorious if he cherishes the revolutionary faith of believing in and following them.

The members of the visiting group said they would devotedly love the homeland and firmly defend the Chongnyon organization.

Anti-DPRK, Anti-Chongnyon Moves Denounced

*SK2106152394 Pyongyang KCNA in English 1504
GMT 21 Jun 94*

[Text] Tokyo, June 19 [date as received] (KNS-KCNA)—The anti-DPRK, anti-Chongnyon moves of the Japanese authorities are under fire in Japan.

Hidenori Sasaki, Social-Democratic member of the House of Representatives of Japan, said in a statement that the recent illegal search by the Kyoto prefectural police, long with the forcible search of the Osaka prefectural headquarters of the General Association of Korean Residents in Japan (Chongnyon), shows the Japanese Government's stance to incite apprehensions over the "nuclear issue" of the DPRK among the people.

Osamuto Yadabe, Social-Democratic member of the House of Councillors, in a statement said that the current forcible search is a political suppression and an attempt to aggravate the situation on the Korean peninsula under the pretext of "nuclear suspicion of the DPRK and establish "emergency arrangement" in Japan.

The Kumamoto prefectural headquarters of the Japan Social-Democratic Party [JSDP], the Hokkaido Japan-Korea Solidarity Committee of Youths and Students for Supporting the Independent and Peaceful Reunification of Korea and other Japanese public organisations made public letters of protest addressed to the Japanese prime minister and the chief of the Kyoto prefectural police headquarters. The Hyogo Prefectural Society for Defending Human Rights of Koreans in Japan, the 60th general meeting of the Kochi prefectural headquarters of the Japan Social-Democratic Party and the Kagawa prefectural headquarters of the JSDP adopted a request, a resolution and a letter of protest denouncing the authorities' suppression of Chongnyon. The 11th meeting of Young Women for Japan-Korea Solidarity in Kochi prefecture adopted an appeal headlined "Let Us Pool Efforts for Independent Japan-Korea Solidarity and the Independent and Peaceful Reunification of Korea" and a letter of protest denouncing the authorities' unwarrantable suppression on Chongnyon.

The Japan-Korea Society for the Exchange of Scientific Education in an appeal called for further strengthening activities for friendship and solidarity with the Koreans in Japan.

Japan LDP Group Delivers Gift for Kim Il-song

*SK1806110694 Pyongyang KCNA in English 1017
GMT 18 Jun 94*

[Text] Pyongyang, June 18 (KCNA)—The great leader President Kim Il-song received a gift from a delegation of the Japan Liberal-Democratic Party [LDP] during its visit to Korea.

The gift was handed to an official concerned by head of the delegation Taku Yamasaki, deputy secretary general of the Japan Liberal-Democratic Party.

Presents Gift for Kim Chong-il

*SK1806110994 Pyongyang KCNA in English 1018
GMT 18 Jun 94*

[Text] Pyongyang, June 18 (KCNA)—The dear leader Comrade Kim Chong-il received a gift from a delegation of the Japan Liberal-Democratic Party [LDP] during its visit to Korea.

The gift was handed to an official concerned by head of the delegation Taku Yamasaki, deputy secretary general of the Japan Liberal-Democratic Party.

Kim Il-song Meets Wife of Former Japanese Leader

*SK1906105894 Pyongyang KCNA in English 1046
GMT 19 Jun 94*

[Text] Pyongyang, June 19 (KCNA)—The great leader President Kim Il-song today received Mutsuko Miki, the wife of a former Japanese prime minister, and her family on a visit to Korea.

Present on the occasion was Chon Yon-ok, vice-chairwoman of the Korean Society for Cultural Relations with Foreign Countries.

President Kim Il-song had a cordial and friendly talk with the guests.

The guests presented a gift to him.

President Kim Il-song gave a luncheon for the guests.

Gift Presented for Kim Chong-il

*SK1906105994 Pyongyang KCNA in English 1047
GMT 19 Jun 94*

[Text] Pyongyang, June 19 (KCNA)—The dear leader Comrade Kim Chong-il received a gift from Mutsuko Miki, the wife of a former Japanese prime minister, and her family on a visit to Korea.

They handed the gift to an official concerned.

Buddhist Federation Condemns Chongnyon Suppression

*SK2006050594 Pyongyang KCNA in English 0456
GMT 20 Jun 94*

[Text] Pyongyang, June 20 (KCNA)—The Central Committee of the Korean Buddhist Federation issued a statement Sunday denouncing the Japanese authorities' suppression of the General Association of Korean Residents in Japan (Chongnyon) and Koreans in Japan.

Noting that the Japanese police on June 6 raided the office of the Kyoto prefectural headquarters of Chongnyon and searched 27 spots including houses of officials of the headquarters under the pretext of "violation of the national land utilization law," the statement bitterly denounced it in the name of the entire Buddhists of the DPRK as a vicious political suppression of Chongnyon and an open hostile act against the DPRK.

The statement said:

The Koreans in Japan are those who were drafted to Japan by the Japanese imperialists and forced to back-breaking toils in the past and their descendants. So they must enjoy special protection by the Japanese authorities. Far from apologizing to and compensating the Korean people for their past crimes, the Japanese authorities are suppressing them. This is a rash act that can be done only by villains bereft of reason.

We strongly demand the Japanese authorities immediately stop the suppression of Chongnyon and Koreans in Japan and apologize for that and sternly punish the criminals.

We hope all the Buddhists of Japan will denounce the Japanese authorities' suppression of Chongnyon and express firm solidarity with Chongnyon in its righteous activities.

SRV Delegates Deliver Gift for Kim Il-song

*SK1806120694 Pyongyang KCNA in English 1024
GMT 18 Jun 94*

[Text] Pyongyang, June 18 (KCNA)—The great leader President Kim Il-song received a gift from the visiting high-level military delegation of the Socialist Republic of Vietnam.

The gift was handed to O Chin-u, minister of People's Armed Forces, by head of the delegation Doan Khue, minister of National Defence.

Present Gift for Kim Chong-il

*SK1806120994 Pyongyang KCNA in English 1025
GMT 18 Jun 94*

[Text] Pyongyang June 18 (KCNA)—The dear leader Comrade Kim Chong-il received a gift from the visiting high-level military delegation of the Socialist Republic of Vietnam.

The gift was handed to O Chin-u, minister of People's Armed Forces, by head of the delegation Doan Khue, minister of National Defence.

Departs for Home 21 Jun

*SK2106155194 Pyongyang KCNA in English 1520
GMT 21 Jun 94*

[Text] Pyongyang, June 21 (KCNA)—A high-level military delegation of the Socialist Republic of Vietnam headed by Doan Khue, Politburo member of the Central Committee of the Communist Party of Vietnam and minister of National Defence, left for home today after paying an 8-day visit to the DPRK.

It was seen off at the airport by O Chin-u, member of the Presidium of the Political Bureau of the Central Committee of the Workers' Party of Korea and minister of People's Armed Forces, Vice Marshal of the Korean People's Army [KPA] Kim Kwang-chin and other KPA generals and officers.

Vietnamese Ambassador to Korea Duong Chinh Thuc was present there to see off the delegation.

A farewell function took place at the airport.

During its stay the delegation visited Mangyongdae and KPA units and toured Pyongyang and local areas.

Book Written by Cuban Woman Introduced

*SK2106121094 Pyongyang KCNA in English 1007
GMT 21 Jun 94*

[Text] Pyongyang, June 21 (KCNA)—A meeting was held at the Grand People's Study House in Pyongyang on June 20 to introduce the book "Korea I Saw Again 40 Years After" written by Cuban woman lawyer Candalaria Rodriguez.

In his speech at the meeting, Kim Chin-pom, vice-chairman of the Committee for Cultural Relations With Foreign Countries, said that Cuban woman lawyer, the author of the book "Korea I saw Again 40 Years After", impressively wrote what she saw, heard and felt during her revisit to Korea 40 years after she visited Korea as a member of an international fact-finding team during the fatherland liberation war (June 1950- July 1953) and exposed to the world people the bestial atrocities committed by the U.S. imperialist aggressors against the Korean people.

He expressed the hope that this book would help the revolutionary people of the world to have a clearer understanding of the validity and invincible vitality of the socialist cause for its rich, truthful and revolutionary contents and for its diversified, concise and vivid method of expression.

Candelaria Rodriguez, the author of the book, spoke next.

Noting why she wrote the book, she said:

"I have come to write this book in order to inform the world people, even a little, of the true looks of Korea which rose like a phoenix from heaps of rubbles and has completely changed its appearance startling the world people under the wise guidance of the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il.

In his speech, Han Pong-chan, deputy director general of the Foreign Press Group, noted that the book in Spanish was translated and published in French, Chinese, English and Russian and disseminated among foreigners. This book, he added, will greatly encourage not only the Korean people in their tireless efforts to defend and further glorify the Korean-style socialism centred on the masses but also the revolutionary people of the world in their righteous struggle.

Hwang Chang-yop Meets Visiting Swedish Delegates

*SK2106060694 Pyongyang KCNA in English 0441
GMT 21 Jun 94*

[Text] Pyongyang, June 21 (KCNA)—Secretary Hwang Chang-yop of the Central Committee of the Workers' Party of Korea met and had a friendly talk on Monday with the friendship visiting group of the Communist Party-KPML (R) of Sweden led by Roger Gross, member of the Political Bureau of the Central Committee of the party.

Noting that the experienced Workers' Party of Korea with a long history has made great contributions to the prosperity of the country and to the development of the international communist movement, the head of the delegation said he got deep impressions from the fact that the great leader Comrade Kim Il-song was solving all problems creatively and wisely.

He said his delegation's visit would mark an occasion in strengthening solidarity between the two parties and two peoples.

International Red Cross Delegation Arrives

*SK1806233994 Pyongyang KCNA in English 2223
GMT 18 Jun 94*

[Text] Pyongyang, June 18 (KCNA)—Delegation of the International Committee of the Red Cross led by its delegate general for Asia and Pacific, Jean Michel Monod, arrived here today by air.

Belgian Labor Party Chairman Arrives 18 Jun

*SK1806233794 Pyongyang KCNA in English 2213
GMT 18 Jun 94*

[Text] Pyongyang, June 18 (KCNA)—Tudo Martens, chairman of the Central Committee of the Belgian Labour Party, and his entourage arrived here today.

They were met at the airport by Hwang Chang-yop secretary of the Central Committee of the Workers' Party of Korea.

Attends WPK Reception 19 Jun

*SK2006053794 Pyongyang KCNA in English 0503
GMT 20 Jun 94*

[Text] Pyongyang, June 20 (KCNA)—The Central Committee of the Workers' Party of Korea Sunday hosted a reception for Ludo Martens, chairman of the Central Committee of the Belgian Labour Party, and his entourage on a visit to Korea.

Present at the reception were Hwang Chang-yop, secretary of the Central Committee of the WPK, and officials concerned.

Speeches were exchanged at the reception.

Meets With WPK Secretary 20 Jun

*SK2006110494 Pyongyang KCNA in English 1026
GMT 20 Jun 94*

[Text] Pyongyang, June 20 (KCNA)—Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea [WPK], had talks with chairman of the C.C. [Central Committee], the Belgian Labor Party Ludo Martens here today.

Present on the WPK side were vice department director of the C.C., the WPK Yim Son-pil and other officials concerned and on the opposite side were the entourage of Ludo Martens.

They discussed the development of relations between the two parties and a series of matters of common concern.

The talks took place in a friendly atmosphere.

Anniversary of Relations With Sudan Marked*SK2106121294 Pyongyang KCNA in English 1011
GMT 21 Jun 94*

["25th Anniversary of opening of diplomatic ties between Korea and Sudan"—KCNA headline]

[Text] Pyongyang, June 21 (KCNA)—Papers here today dedicate articles to the 25th anniversary of the opening of diplomatic relations between the DPRK and the Sudan (June 21, 1969).

NODONG SINMUN in a signed article says that after the opening of diplomatic relations at the ambassadorial level, the peoples of the two countries have developed friendly and cooperative relations, deepening mutual understanding.

Referring to the endeavours of the Sudanese people for the peace, stability and development of the country, the paper says:

The Sudanese Government and people raised it as a primary task to achieve peace and stability of their country as a whole and have made strenuous efforts to this end. And they are pushing ahead with the building of a new society, liquidating the aftermath of the colonial rule even under the complicated situation.

The Korean people hope that peace and stability will settle down in the Sudan at an early date.

They will as ever strive hard to develop the friendly and cooperative relations with the Sudanese people.

MINJU CHOSON in a signed article says that the Korean people wish the Sudanese people greater success in their work for the stability and prosperity of their country.

Kim Chong-il's Years on WPK Committee Marked*SK1906105594 Pyongyang KCNA in English 1031
GMT 19 Jun 94*

[Text] Pyongyang, June 19 (KCNA)—An evening of youths and students in Pyongyang was held at the Kim Il-song square Saturday to celebrate the 30th anniversary of the start of work by the dear leader Comrade Kim Chong-il at the Central Committee of the Workers' Party of Korea [WPK].

The square was overflowing with working youths and students.

Watching the evening were premier of the Administration Council Kang Song-san, Vice-presidents Yi Chong-ok and Pak Song-chol and other party and government cadres.

When beautiful firecracker sizzled into the nocturnal sky and the evening began with the melody of the song "A Salute To You", the square turned into a sea of dance of

best wishes and a sea of dance of ecstasy extending highest regard and glory to dear Comrade Kim Chong-il, the illustrious leader of the Workers' Party and the people of Korea, with feelings of deepest reverence and trust.

The youths and students, dancing to the tunes of the songs "Our Comrade Kim Chong-il," "Song of Three Prides," "Our General Is the Best", etc. showed the feelings of respect, reverence and trust, thinking over the fact that, with Comrade Kim Chong-il starting to work at the Party Central Committee 30 years ago, the Korean people were blessed once again with a sagacious leader and a prospering new era in history could be opened on this land.

Party officials, Koreans overseas and foreign guests who were on the reviewing stands spilled into the square and enjoyed the evening, dancing with youths and students.

Moscow Meeting Marks Anniversary*SK2006054594 Pyongyang KCNA in English 0520
GMT 20 Jun 94*

[Text] Pyongyang, June 20 (KCNA)—A meeting was held in Moscow to commemorate the lapse of 30 years since the dear leader Comrade Kim Chong-il began working at the Central Committee of the Workers' Party of Korea.

Present there were Vladimir Tolstikov, chairman of the Central Council of the Russian Association for Friendship and Culture Cooperation with the DPRK; Victor Anpilov, secretary of the Central Committee of the Communist Workers' Party of Russia and chairman of the Executive Committee of the "Working Russia" movement; Valery Sklatov, co-chairman of the Executive Committee of the National Salvation Front and chairman of the Russian Free Patriotic Party for "revival"; deputies to the state Duma of Russia, men of science and the press.

Speeches were made at the meeting.

Noting that Comrade Kim Chong-il is an outstanding and rare statesman, Vladimir Tolstikov in his speech said it is entirely a result of the wise guidance of Comrade Kim Chong-il that Korea is confidently advancing along the road chosen by it, not wavering even in the current complicated situation in which the U.S.-led imperialists are increasing pressure.

Mikhail Kapitsa, former director of the Institute of Oriental Studies of the Academy of Sciences of Russia, said that everything is going well in Korea under the wise leadership of Comrade Kim Il-song and Comrade Kim Chong-il.

He further said:

"The question of succeeding the revolutionary cause has been successfully resolved in Korea.

"Comrade Kim Chong-il is an authoritative leader.

"The imperialists are threatening Korea over the 'nuclear issue'. But threat can never work on the Korean people."

Victor Anpilov in his speech said no force on earth can match the Korean People's Army which has been strengthened and developed to be invincible revolutionary Armed Forces under the guidance of Comrade Kim Chong-il, an outstanding military strategist.

General Valentsin Varennikov, vice-minister of defence of the former Soviet Union, stressed that the Korean people should have a great pride in their illustrious leader.

A letter to Comrade Kim Chong-il was adopted at the meeting.

Chongnyon Sends Congratulations

*SK2006052994 Pyongyang KCNA in English 0508
GMT 20 Jun 94*

[Text] Pyongyang, June 20 (KCNA)—The dear leader Marshal Kim Chong-il received a congratulatory message on Sunday from the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon) on the 30th anniversary of the start of work by him at the Central Committee of the Workers' Party of Korea [WPK].

The message says:

"You, respected general, took the first step of your great leadership at the WPK Central Committee on June 19, 1964. This was a historical event which definitely guaranteed the inheritance and accomplishment of the revolutionary cause of *chuche*.

"You have glorified the immortal *chuche* idea as the great guiding idea of our era and strengthened and developed the WPK to see that miracles and changes for the century were effected in the revolution and construction with the might of the singlehearted unity of the leader, the party and the masses.

"You, respected comrade supreme commander with unexcelled grit, iron will, brilliant resources and commanding art of a famous general who descended from the heaven, have reared the People's Army into a matchless army each man of which 'can match a hundred foes' and made Korea of *chuche* rise up imposingly as an impregnable military power.

"Your astonishing revolutionary feats in leading the worldwide movement for rebuilding socialism along a straight road to victory, displaying the invincibility of anthropocentric Korean-style socialism under the grim situation in which the imperialists and reactionaries are getting hysteric in the moves to stifle the DPRK on all sides are throwing brilliant rays on human history."

The message states that Chongnyon will successfully discharge its noble duty in the accomplishment of the

revolutionary cause of *chuche*, trusting and following only the respected general in the future, too.

It wishes the respected Supreme Commander General Kim Chong-il a long life in good health.

KCNA Praises Kim's Leadership

*SK1906003594 Pyongyang KCNA in English 2200
GMT 18 Jun 94*

[Text] The dear leader has performed undying feats in increasing the might of our country and making the people's life affluent by wisely guiding socialist construction.

Each time an important task was raised in socialist economic construction, he indicated the path to victory by laying down an outstanding economic strategy and policy and an appropriate slogan. Under his distinguished leadership, our people have successfully fulfilled a series of long-range plans and increased still further the might of the independent national economy of socialism in the revolutionary spirit of self-reliance and hard work in the teeth of economic blockade and continued military provocations of the allied forces of imperialism.

Under his tested guidance, the line of socialist cultural construction has been implemented successfully and a great heyday of literature and art has come to this land.

The dear leader has wisely guided the building of the revolutionary Armed Forces as a whole, thereby strengthening the People's Army into a cadre, modern steel-like army each one of which is a match for a hundred foes and turning our country into a powerful country self-reliant in defence where all people are armed and the whole territory is fortified.

The dear leader with his outstanding wisdom and wise guidance has courageously led the struggle for national reunification, putting the enemy on the defensive, and strengthened militant solidarity with the revolutionary parties and peoples of the world under the banner of independence, peace and friendship, making an immortal contribution to mankind's cause of anti-imperialist independence, the cause of socialism, paying deep attention to the cause of rebuilding and developing the socialist movement on a new basis.

The reporter called on the whole party and the entire people to resolutely defend and brilliantly accomplish the cause of socialism, bearing deep in mind the great national fortune of having the illustrious leader Comrade Kim Chong-il at the head of the party and the revolution.

Paper Lauds 'Immortal Feats'

*SK2006120294 Pyongyang Korean Central
Broadcasting Network in Korean 0000 GMT 19 Jun 94*

[NODONG SINMUN 19 June editorial: "Path of Glory Along Which We Have Marched on Victoriously Upholding the Great Leader"]

[Text] Today, our party and people are vigorously waging the struggle to consummate the cause of socialism of our own style, overflowing with confidence in victory and grit. On the grand march of audaciously smashing the imperialists' antisocialist maneuvers and vigorously marching on, the single-hearted unity around the leader [yongdoja] has been all the more strengthened and the base of our socialism has been consolidated impregably.

Under such a thrilling [pokchan] atmosphere, we are observing a meaningful day marking Comrade Kim Chong-il's, the dear leader of our party and people, 30th anniversary of working at the Central Committee of the Workers' Party of Korea [WPK].

Our party members and people, who look back with deep emotion on the past 30 years of history in which they have marched following the great guidance, are filled with great pride and dignity of upholding the peerless man. They are filled with firm resolve to endlessly glorify our party's leadership achievements.

Three decades ago, the dear leader Comrade Kim Chong-il began to lead the party work, responding to the desire of all the people and the requirement of the developing revolution. It was a great event of historic significance in the development of the party and the revolution.

The great leader Comrade Kim Il-song has taught: The question of inheriting the leadership has been successfully solved in our country because Comrade Kim Chong-il wisely guided the overall work of the party, the state, and the Army from a long time ago.

The working class cause of revolution and party building has been pioneered by the leader [suryong] and is inherited and consummated by the leader [yongdoja] who is endlessly faithful to the leader's [suryong] cause. Upholding the leader [chidoja] who has distinguished resources and traits of leadership at the head of the party and revolution is a fundamental problem deciding the destiny and future of the revolution.

The dear leader Comrade Kim Chong-il, a great leader [yongdoja] who has a rare ideological and theoretical wisdom, excelled in the art of leadership, and the invincible art of military operations. He is a true leader [chidoja] of the people who has both literary and military accomplishments.

With Comrade Kim Chong-il leading the party work, a broad road has opened to glorify the party forever as a revolutionary party of chuche and accomplish the revolutionary cause of chuche pioneered in the thick forests of Mt. Paektu.

We cannot think about the indomitable might of today's WPK, the grand appearance of our ever-victorious

socialist fatherland, and the bright future for our revolution and nation, apart from this historical event in which a great guiding hand of our party work has reached.

The past 30 years in which our people have advanced, following the illustrious leader, are glorious decades in which the most brilliant era has opened in the development of the party and the revolution and decades of victory and feats.

Our revolution's atmosphere at home and abroad was difficult and arduous in the past and immense tasks of struggle have been laid before our party. However, thanks to the leadership of the dear comrade leader who has shouldered all the burdens of the chuche-oriented revolutionary cause and the cause of party building and led our party and people to one road of invincibility, our revolution has vigorously marched on the one road of chuche pioneered by the great leader [suryong] in the thick forest of Mt. Paektu. During these days, an era of great creation and reform that can be labelled as a heyday of the WPK has come to this land and the question of inheriting the revolutionary cause has been brilliantly solved in conformity with the demand of the times and our people's ardent aspirations.

By leading the party from the 1960's to the 1990's in which most upheaval events of the century took place, the dear leader Comrade Kim Chong-il has performed immortal feats for the era and the revolution that will shine long in history.

The history of the dear leader Comrade Kim Chong-il's revolutionary activities is a glorious and brilliant history of struggle of a distinguished thinker and theoretician who has immensely exalted the chuche idea as the guiding idea of the era with his rare intelligence.

[Text] Resolutely adhering to and enriching the leadership ideology created by the leader [suryong] are the most important work in completing the independent cause of the popular masses.

From his early days, the dear leader Comrade Kim Chong-il, with rare energy and inquiring spirit, has waged creative ideological and theoretical activities. By doing so, he has developed and enriched the leader's [suryong] revolutionary ideas in conformity with the people's aspiration and the demand of times at a time when the question of inheriting the revolutionary cause has been raised.

This course has been the path in which the trend of all sorts of reactionary and opportunistic ideologies have been sharply criticized and the essence of the working class' revolutionary idea has been adhered to. This course has also been the days of creative contemplation in which unpredictable new theoretical and practical questions arising in the revolution and construction have been explained with the iron-willed theories.

On this historic course, the great leader Comrade Kim Il-song's revolutionary ideas have been formalized as a monolithic system of the *chuche* ideological and theoretical method, and all the components have been completely enriched and developed as new principles and contents.

The dear leader Comrade Kim Chong-il has published many works during the past 30 years, including the works published on 19 February and 2 August, 1974, "On the *Chuche* Idea," "Historic Lessons From Socialist Construction and Our Party's General Line," and "On the Fundamental Questions of Our Revolutionary Party Building." These works are an undying banner that enables our party and people to carry forward the revolutionary cause of *chuche* to accomplishment, and a powerful ideological and theoretical weapon that leads the socialist cause of our era along an ever-victorious road.

Truly, an era led by the dear comrade leader is a proud era in which the *chuche* idea, sowed on the soil of our people and brought up as a dense forest by the great leader [suryong], has been glorified as a great leading idea presenting the present time and the future of communism.

The course in which the dear leader Comrade Kim Chong-il has led the party work is a glorious history of the great leader [yongdoja], who has set examples for the era in the building of a revolutionary party and strengthened and developed the party into an ever-victorious *chuche* type party.

Our party has a long history of struggle which runs up to 70 years from the day it struck its root. The last 30 years among the long history of struggle have been glorified as proud annals in which the most brilliant victory has been attained and the party's political might has been remarkably strengthened.

Raising the issue of strengthening the party and enhancing the leadership role of the party as a basic link to leading the revolution and construction, the dear comrade leader has for the last 30 years put his heart and soul into promoting our party in a revolutionary manner.

The dear comrade leader's leadership over party building and party work is consistent with firmly adhering to the *chuche* lineage and making our party have traits befitting the *chuche*-type party. The dear leader Comrade Kim Chong-il's leadership hand aimed at breaking the old flame remaining in the party work and fundamentally innovating the party's feature has reached every part of party building, including the building of party organization, ideology, and the art of leadership.

Guided by the dear comrade leader, the party has been strengthened and developed into a steel-like party with unbreakable singlehearted unity and a solid organizational and ideological foundation; a general staff of the revolution leading the socialist cause of *chuche* to a

victory with tested leadership art; and a great revolutionary party that has struck its roots deep among the popular masses and formed a harmonious whole with them.

Today, the invincible might, combat capacity, and high dignity cherished by the WPK are connected with the name of the dear comrade leader who has led the cause of party building for several years at the fore, under the slogan of modelling the entire party after the *chuche* idea. The course of the revolutionary activities of Comrade Kim Chong-il is proud annals of an experienced, veteran statesman and a great strategist, who has firmly defended the socialist cause of our own style and powerfully displayed the dignity and honor of socialism.

[Text] Today, the imperialists are viciously maneuvering more than ever before to isolate and obliterate socialism of our own style. Our socialism is advancing without the slightest wavering under today's situation in which the antirevolutionary offensive is being strengthened. This is because of the great leadership of the dear comrade leader, who possesses an iron-like will and extraordinary leadership, and the most solid political, economic, and military might achieved by the dear comrade leader.

Under the slogan, "Modeling the whole society under the *chuche* idea," the dear comrade leader called for vigorously carrying out the three revolutions in all fields of the revolution and construction, thus he unfolded a great flowering period of socialism of our own style centered on the popular masses on this land.

Socialism of our own style, which is being led and elucidated by the dear comrade leader, is socialism which is formed by a strong main force of the revolution in which all the people are firmly united around the party and the leader; socialism endlessly developing above the firm basis of self-dependence, self-support, and self-reliant defense; and socialism in which the people's independent and creative lives are in full bloom.

In the long course of the revolution, the dear comrade leader has provided a strong and mighty national defense power that can firmly carry out our socialist cause in any environment.

The dear Comrade Kim Chong-il is the greatest military strategist and iron-willed commander of the present time. By highly upholding the dear comrade leader as the supreme commander, our People's Army today has grown to become an army of the party and an army of the revolution in which the revolutionary army trait is firmly standing throughout the whole army, and a peerless strong army that is provided with both a strong offensive and defensive means. Thus, our fatherland has been changed into an impregnable fortress.

There has been no time as today in the history of our country in which the main force of the revolution has been strengthened politically, ideologically, militarily, and technically by highly upholding the dear comrade leader, who is a general among generals.

Today's proud reality is that all the people and officers and men of the People's Army are resolutely safeguarding the respected and beloved General Kim Chong-il by being of the same mind. This embraces the firm confidence of a bright future of socialism of our own style.

Today, the dear leader Comrade Kim Chong-il is receiving absolute support and respect from the entire party, all the people, and the entire Army due to the infinite loyalty and devotion toward the fatherland, people, and revolution, and immortal achievements fulfilled in the process of carrying out the *chuche* revolutionary cause. He also possesses a high dignity among the world's revolutionary people which cannot be taken away.

Our people have no greater good fortune than to uphold the dear Comrade Kim Chong-il, who is leading the revolutionary cause toward the one road of victory by possessing a brilliant wisdom, refined leadership, and lofty virtue, at the top of the party, state, and main force of the revolution. We will deeply bear in mind this good fortune and honor, and must vigorously accelerate the onward march to achieve complete victory of socialism, advance the fatherland's independent reunification, and complete the *chuche* revolutionary cause to the end.

Consolidating airtight the invincible cohesion and unity of the entire party, all the people, and the entire Army centered on the dear leader Comrade Kim Chong-il is the fundamental source of all of our victories. The struggle course of the past 30 years was a process of succeeding generation after generation the glorious tradition of the single-hearted unity of our revolution.

Just like the youth communists and people firmly united with faith and integrity by centering around the great leader Comrade Kim Il-song during the pioneering period of the Korean revolution, we must put forth our dear comrade leader at the center of unity and center of leadership. Also, since the party and the ranks of the revolution were single-heartedly united around him like bedrock, the life of the *chuche* revolutionary cause has been firmly succeeded.

Let us unite, unite, and unite centered around the dear leader Comrade Kim Chong-il! This is our everlasting struggle slogan and motto which has not changed in the past and will not change today or tomorrow. All the functionaries and party members must adhere to the single-hearted unity of the entire party centered around the dear comrade leader like their eyes, wholly manifest its might, and further consolidate the party's organizational and ideological basis.

[Text] We should thoroughly establish a revolutionary ethos in which the entire party, the whole country, and all the Army move as one and unconditionally implement the party's line, decisions, and instructions under the leadership of the dear comrade leader. We should also enhance the sense of party organization and further strengthen our party life. Thus, we should demonstrate

the might of our singlehearted united party. The solidness and might of our singlehearted unity lie in the fact that they are based on their absolute respect toward the leader [yongdoja].

All party members and working people should entrust their destiny to the dear comrade leader, firmly believing him as the defender of their destiny, and should firmly prepare themselves to become true loyalists who resolutely defend their party and their leader [yongdoja].

We should live and struggle in a revolutionary manner with the resolute courage and optimism that only if there is the respected and beloved General Kim Chong-il's leadership can we be victorious without fail and sternly smash any challenge and maneuvers for aggression by the imperialists.

Resolutely defending the dear leader Comrade Kim Chong-il's leadership achievement and glorifying it forever is a most important task to constantly advance and consummate our revolution. The great leadership achievements by the dear comrade leader in his 30 years' revolutionary path are the most precious revolutionary assets for the infinite prosperity of our fatherland and for the final victory of the revolution.

For our revolutionary fighters who have grown up amid the bosom of the party and who have enjoyed infinite happiness under the leader's [yongdoja] great love and benevolence there is no more sacred duty than to glorify his immortal leadership achievements.

We should deeply cherish in our hearts the greatness of the dear comrade leader's leadership achievements and should see to it that all of our works and lives become a course of defending and glorifying his leadership achievements.

The trace of the dear comrade leader's immortal leadership is clearly reflected in all our posts where our party members and working people work. All party organizations and functionaries should establish measures to thoroughly implement the dear comrade leader's policies and remarks at his on-the-spot guidances and should constantly carry out this work. In this way, we should see to it that the dear comrade leader's great leadership achievements are glorified forever.

We are faced with the heavy task of more vigorously accelerating the general march of socialism of our own style upholding the party's grand socialist construction plan. Today's majestic advance is an honorable and rewarding struggle to vigorously demonstrate to the world the indomitable mettle and might of our people who are blessed with the dear leader's leadership.

All party members and the working people should achieve a decisive advance in the struggle to implement the party's revolutionary economic strategy by displaying the revolutionary spirit of self-reliance and fortitude and, thus, should enhance the superiority of the popular mass-centered socialism of our own style. We

should accelerate the revolution and construction with a strained and mobilized posture and should effect a new upsurge in all sectors of economic construction and national defense construction.

All officers and men of the Korean People's Army should cherish deeper in their hearts the sacred mission of firmly defending with rifle the party's cause, that is, the respected and beloved General Kim Chong-il's cause; should thoroughly implement the supreme commander's order; and, thus, should firmly deepen the might of our Army. We should also lead the laudable custom of army-people unity, which has reached a high plane in the course of upholding the respected and beloved comrade supreme commander, to be brought to fuller bloom in the whole society.

Today, the enemies of the revolution are viciously running wild. However, the future of our revolution is bright, and our victory is certain.

Let all of us firmly unite around the dear leader Comrade Kim Chong-il and more vigorously advance for the final victory of the *chuche* revolutionary cause and for national reunification.

Music, Dance Performance Held

*SK1906105394 Pyongyang KCNA in English 1023
GMT 19 Jun 94*

[Text] Pyongyang, June 19 (KCNA)—A performance of music and dance poem "Korea, I Will Glorify Thee" was given at the East Pyongyang Grand Theatre Saturday to celebrate the lapse of 30 years since the dear leader Comrade Kim Chong-il began working at the Central Committee [C.C.] of the Workers' Party of Korea [WPK].

Poliburo member of the C.C., the WPK and premier of the Administration Council Kang Song-san, Politburo members of the C.C., the WPK and Vice Presidents Yi Chong-ok and Pak Song-chol and other party and government cadres saw the performance with working people in the city.

Overseas compatriots staying in the socialist homeland also appreciated it.

The music and dance poem "Korea, I Will Glorify Thee" performed by artistes in Pyongyang represented on a high ideological and artistic plane that the last 30 years of the leadership of Comrade Kim Chong-il over the party work are a history of victory and glory in which he has brought into full bloom the noble intention of the respected leader President Kim Il-song in this land to display the might of the powerful socialist state of independence, self-sufficiency and self-reliance in national defence, exalt the dignity and honor of the country and ushered in a heyday of national prosperity.

Literature, Art Created Under Kim

*SK1806052194 Pyongyang KCNA in English 0407
GMT 18 Jun 94*

[Text] Pyongyang, June 17 (KCNA)—A great many works of literature and art high in ideological and artistic value have been created in Korea.

In the last few years alone, many literary and art works have been created, among them the multi-part feature film "The Nation and Destiny" (part 1 to 18), the revolutionary drama "Under the Banner of Victory" and the long novel "Victory".

The literature and art of Korea that greeted a great heyday in the mid-70s under the wise guidance of the dear leader Comrade Kim Chong-il is now in full bloom with further development.

Comrade Kim Chong-il founded a unique theory on the *chuche*-oriented literature and art that is centred on man, and established a new creative system to bring an overall renovation in literature and art and has reared a large army of talented men of literature and art. He gave answers to all the theoretical and practical questions arising in the creative work such as making a good choice of seed and conducting a speed campaign in creative activities, making a comprehensive and profound study of life and reflecting it truthfully and retaining the national style in works through the combination of ideology and art and has successfully brought into full bloom the literature and art with untiring energetic guidances.

All realms of literature and art—movie, opera, music, drama, dance, fine art and circus—have reached a high plane today.

In this course, a host of literary and art works have been created, representing the glorious and brilliant history of revolutionary activities, sagacity of leadership and noble virtues of the great leader President Kim Il-song, and new "phibada"-style revolutionary operas in which stanzaic songs, pangchang(off-stage songs), folk dances and stage decor are organically interlinked and new "songhwangdang"- style revolutionary dramas.

Works on the themes of revolutionary traditions and socialist realities were created in great numbers, including the feature film "To the End of the World" and "The Trace of Life", the long and medium-length novels "On the Road of Loyalty" and "The Land of Flowers", the music and dance epic "Song of Glory" performed by 5,000 artistes and the music and dance story "The Song of Paradise".

Many famous songs and elegant dance works such as "Song of Comradeship", "We Will Go Along One Road Forever" and "Azalea of the Homeland" were created, national musical instruments were improved and a new orchestra based on the combination of Western and national music instruments was created, lifting the *chuche* art to a higher stage.

Recent years witnessed the creation of unique Korean-style electronic music which can represent not only the Korean folk songs and modern songs but foreign folk songs and traditional mass songs of other countries as well.

In the meantime, monumental works of art such as the "Mansudae Grand Monument" and the "Samjiyon Grand Monument" have been created and various genres of works of art including paintings, mainly Korean paintings, crafts and embroideries have been produced.

Acrobatic art and literature and art of amateurs have also made a rapid progress.

Officials Attend Art Performance

SK1906031594 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 17 Jun 94

[Excerpt] A general performance by provincial art propaganda troupes was given at the Youth Central Hall on 17 June to celebrate the 30th anniversary of the dear leader Comrade Kim Chong-il's beginning of work at the Central Committee of the Workers' Party of Korea [WPK].

Attending the performance were Comrades Yi Chong-ok and Pak Song-chol, members of the Political Bureau of the WPK Central Committee and vice presidents; Comrades Kye Ung-tae, Chon Pyong-ho, and Han Song-yong, members of the Political Bureau and secretaries of the WPK Central Committee; Comrade Kim Chol-man, alternate member of the Political Bureau of the WPK Central Committee; Comrade Choe Tae-pok, alternate member of the Political Bureau and secretary of the WPK Central Committee; Comrades Choe Yong-nim and Hong Song-nam, alternate members of the Political Bureau of the WPK Central Committee and vice premiers of the Administration Council; Comrade Yang Hyong-sop, alternate member of the Political Bureau of the WPK Central Committee and chairman of the Supreme People's Assembly; Comrade Hong Sok-hyong, alternate member of the Political Bureau of the WPK Central Committee and chairman of the State Planning Commission; Comrades Kim Chung-nin and Kim Kinam, secretaries of the WPK Central Committee; Comrade Kim Pok-sin, vice premier of the Administration Council; Comrade Chon Mun-sop, chairman of the State Inspection Commission of the Central People's Committee [CPC]; Comrade Yun Ki-pok, chairman of the Economic Policy Commission of the CPC; members and alternate members of the WPK Central Committee; functionaries of the party, power organs, administrative and economic organs, and social organizations; generals and officers of the Korean People's Army; responsible functionaries in the sectors of science, education, culture, art, public health, and publication and media; and workers in Pyongyang. [passage omitted]

South Korea

Carter Returns, Briefs Foreign Minister

SK1806011994 Seoul YONHAP in English 0114 GMT 18 Jun 94

[Text] Seoul, June 18 (YONHAP)—Former U.S. President Jimmy Carter returned to South Korea from Pyongyang via the truce village of Panmunjom Saturday morning after meeting with North Korean leaders to resolve the nuclear dispute.

Upon his return to Seoul, Carter will brief President Kim Yong-sam at Chongwadae [presidential offices] on the contents of his two rounds of talks with Kim Il-song during his four-day visit to the North Korean capital.

Carter, escorted by a North Korean army colonel, arrived at the Military Demarcation Line in Panmunjom at 8:35 a.m. to be greeted by American Ambassador James Laney and Southern officials.

He posed briefly for scores of cameramen in the Southern sector of the truce village before heading to Seoul.

During his meeting with Carter, President Kim is expected to explain his government's stance toward the latest developments in the nuclear row.

Prior to visiting Chongwadae, the former American president is to meet Foreign Minister Han Sung-chu at the U.S. ambassador's residence to discuss steps that Seoul and Washington can take on the nuclear issue based on the outcome of Carter's talks in Pyongyang.

Carter is scheduled to meet with the press at the ambassador's residence Saturday afternoon before leaving for the United States.

Offers 'Two-Stage Comprehensive Deal'

SK1806013394 Seoul YONHAP in English 0127 GMT 18 Jun 94

[Text] Tokyo, June 18 (YONHAP)—Former President Jimmy Carter was assigned a mission by the American Government to convey to North Korea a U.S. proposal on directly linking the nuclear problem with bilateral diplomatic relations, a Japanese daily reported from Seoul on Saturday.

The YOMIURI SHIMBUN quoted a diplomatic source in Seoul as saying the proposal is a "two-stage comprehensive deal" in which the two countries would form diplomatic ties after North Korea cleared up international suspicions over its nuclear program.

North Korean President Kim Il-song seemingly showed a more progressive attitude at his two meetings with Carter since he rated the proposal positively.

The source was quoted as saying that in the first of the two stages, Washington would provide economic support and allow the establishment of representatives in each country in response to Pyongyang's remaining in the Nuclear Nonproliferation Treaty (NPT) and accepting special and routine inspections by the International Atomic Energy Agency (IAEA).

The economic support would include financial and technological assistance for North Korea's changing of heavy-water reactors to light-water units, according to the paper.

The source said that in the second stage, after Pyongyang had accepted special IAEA inspections of two undeclared atomic facilities to allay suspicion about its nuclear development program, the United States would be willing to open diplomatic ties with North Korea, according to the paper.

It is the first time for the United States to present a proposal that includes normalization of diplomatic relations with North Korea.

The source said that Carter apparently put the proposal to Kim Il-song at their first meeting on Thursday.

He speculated that Kim Il-song allowed the IAEA inspectors to stay in North Korea and mentioned his country's return to the NPT in response to the first stage.

Kim Yong-sam Discusses Possible Summit

SK2206002494 Seoul YONHAP in English 0010 GMT
22 Jun 94

[Text] Seoul, June 22 (YONHAP)—President Kim Yong-sam voiced confidence Tuesday that North Korean strongman Kim Il-song will not be able to avoid a summit this time, adding that the two leaders need only to decide on the time and place.

"The summit proposal Kim made through (Former U.S. President Jimmy) Carter is apparently sincere, not just a gesture," Kim said during dinner with ruling Democratic Liberal Party lawmakers at the presidential mansion.

"We expected this to happen and we have been preparing a long time for it," he said. "We can meet anywhere, anytime to discuss anything."

Carter met with Kim Il-song in Pyongyang last week and relayed the message to Kim Yong-sam that the North Korean leader wants an inter-Korean summit.

"Kim Il-song obviously became impatient," the South Korean president said, noting Seoul's growing ties with the world's four most powerful nations.

Seoul proposed a working-level contact on June 28 to prepare for the summit. Pyongyang has yet to respond.

"Now that we have accepted Kim Il-song's proposal, the only thing left is the time and place," said Kim. "We will decide our government position as soon as North Korea responds."

Minister Comments on Summit, U.S.-DPRK Talks

SK2206094694 Seoul YONHAP in English 0939 GMT
22 Jun 94

[Text] Seoul, June 22 (YONHAP)—Foreign Minister Han Sung-chu said on Wednesday he believes an inter-Korean summit meeting and the third-round U.S.-North Korea talks would take place before long.

In an interview at the Foreign Correspondents Club in Seoul, Minister Han said, "As can be seen in North Korea's reply today on our proposal for a preparatory meeting, the North Koreans' sincerity seems higher than any other time in the past."

Han said South Korea does not oppose any improvement by the United States of its relations with North Korea. "We see no reason why we should oppose North Korea being recognized as a normal country duly fulfilling international obligations and engaging in normal diplomatic activities," the minister said.

He added, however, that sanctions would continue to be promoted at the U.N. Security Council until North Korea's "good intention" could be verified through the expected South-North summit and third-round U.S.-North Korea talks.

Regarding the issue of delving into the nuclear past of North Korea, Han said the question cannot be overlooked under any circumstances. "This is something on which light should be shed without fail through, for example, U.S.-North Korea talks," he said.

Stating that both the inter-Korean summit and third-round U.S.-North Korea talks are important, Minister Han said that if either of the talks fail, there would be no way but to revert to the course of taking sanctions against North Korea.

DP Urges Summit Prior to U.S.-DPRK Talks

SK2206052794 Seoul YONHAP in English 0433 GMT
22 Jun 94

[Text] Seoul, June 22 (YONHAP)—The leading opposition Democratic Party (DP) urged Wednesday that the proposed South-North Korean summit be held before a third round of North Korea-U.S. high-level talks, which it expected to come next month.

DP Chairman Yi Ki-taek, commenting on foreign media reports that North Korean President Kim Il-song has suggested Aug. 15 as a possible date for the historic talks, said, "the earlier the South-North Korean summit came, the better it would be."

"Even if it's just for demonstrating national independence, the summit should be held prior to the third-round talks between Pyongyang and Washington."

The party's spokesman, Rep. Pak Chi-won, said in a statement: "We believe it was natural for the summit leaders of the two sides to meet prior to the third-round talks to resolve the nuclear issue from the perspective of national independence, so that we see President Kim (Il-song)'s idea, revealed in an indirect way, of holding it on Aug. 15 as inappropriate."

Noting that his party is aware of North Korea's political schedule to hold a "pan-national rally" on Aug. 15, Pak said, "it is our position that the inter-Korean summit should not be abused politically under any circumstances."

DPRK Acceptance of Contact Proposal Reported

*SK2206055194 Seoul KBS-1 Radio Network in Korean
0500 GMT 22 Jun 94*

[Text] North Korea has notified that it accepts our government's proposal for making a preliminary contact between the South and North to discuss the procedure of the South-North summit talks at the Freedom House in our side's area at Panmunjom at 10:00 AM [0100 GMT] on 28 June.

On the telephone line now is a reporter who is covering this issue. Reporter Kim Chong-chin. What is included in the message from the North Korean side?

[Begin Kim Chong-chin recording] Yes. In a telephone message sent to Prime Minister Yi Yong-tok today, Kang Song-san, premier of the North Korean State Administration Council, gave an answer to the effect that a preliminary contact for the South-North summit talks be made at the Freedom House in the South's side at Panmunjom at 10:00 on 28 June, as proposed by our side on 20 June.

For this, North Korea disclosed that it will send three delegates headed by a vice premier-level official and four entourage members. In today's telephone message, North Korea said that it welcomes and agrees to the South side's proposal because the acute situation prevailing in the Korean Peninsula makes it all the more urgent than ever before for both the South and the North to hold top-level summit talks.

North Korea pointed out that the holding of South-North summit talks will be a historical event brining the joy of national reconciliation and unity to the 70 million fellow countrymen and giving a new hope of peace, and independent and peaceful reunification of the country.

In this connection, the dialogue between the South and North, which was discontinued because of the 19 March remarks about engulfing Seoul in a sea of flame, will resume after about three months.

For the first time since the national division, both the South and North sides will have official discussions on summit talks.

One National Unification Board [NUB] official said: It is fortunate to see North Korea accept our side's proposal as it is. We can construe this as a sign with which we can judge in an affirmative way the intention of the North's side to see an early realization of the summit talks.

Meanwhile, in the telephone message, North Korea did not mention the list of the delegates. In view of the past practices, it is expected that there is the high possibility that it will notify us of the list one day before the contact, that is, on around 27 June.

Although our side's delegates have not been confirmed yet, Yi Hong-ku, deputy prime minister and minister of the NUB, will surely be the head delegate.

I have so far reported the news report that a preliminary contact for the South-North summit talks will be realized at Panmunjom on 28 June because of the North Korean side's acceptance of our proposal. I have been reporting from the NUB. This is Kim Chong-chin, KBS News, from the NUB. [end recording]

Reply Shows 'Sincerity'

*SK2206080294 Seoul KBS-1 Radio Network in Korean
0700 GMT 22 Jun 94*

[Text] A high-ranking government official has termed as an affirmative sign the realization of the summit talks that North Korea agreed to hold a preliminary contact for the South-North summit talks at Panmunjom on 28 June, as proposed by our side.

This official said: North Korea has replied to our side's proposal as quickly as in two days in the form of a telephone message in the name of the prime minister—in the same manner as we did—without any revision to our proposal. I think that this confirms, first, the sincerity of the North Korean side which put forth the proposal for the summit talks.

The official said: The fact that the reply message is very businesslike—without any harangue or hidden meaning—makes us have a hopeful expectation for the success of the talks.

Another government official concerned said: The only procedure left before the preliminary talks is for the South and North to exchange lists of delegates and entourage members.

Regarding the selection of the delegates to the preliminary talks, the official said: The two sides will fine-tune procedures behind closed doors at Panmunjom. I think our side's delegation will consist of Yi Hong-ku, deputy prime minister for national unification affairs, as the head delegate; and Chong Chong-uk, senior presidential

secretary for foreign affairs and national security at Chongwadae [presidential offices]; as a delegate, and others.

Meeting on Strategy Scheduled

*SK2206082494 Seoul YONHAP in English 0817 GMT
22 Jun 94*

[Text] Seoul, June 22 (YONHAP)—The government will call a unification and national security policy coordination meeting Thursday morning to discuss strategy at a preliminary contact for the proposed inter-Korean summit and the formation of a delegation to the contact.

The meeting participants will draw up Seoul's position on issues expected to come up at the preliminary contact and consider possible proposals by the Northern side.

Song Yong-tae, vice national unification minister, said Wednesday that the government will give Pyongyang a list of the members of Seoul's delegation to the contact and its entourage upon obtaining presidential approval and simultaneously make a public announcement on formation of the delegation.

Song said, however, that the North will not necessarily be handed the list on Thursday.

'Possibility' of Not Requiring Special Inspections

*SK2206084994 Seoul HANGYORE SINMUN in Korean
22 Jun 94 p 1*

[By Pak Chong-mun]

[Text] At the present phase of dialogue, the United States has decided not to take issue with North Korea's past nuclear activities for the time being, and the ROK has been examining the possibility of revising its policies toward accepting this U.S. policy.

The United States decided not to probe its nuclear past, which includes the extraction of plutonium, because it believed that it had already become impossible to measure the spent fuel rods and that inspections of the two unreported facilities, which are storage facilities, would not bring satisfactory results in finding the truth of the North Korean nuclear program.

This U.S. policy is reportedly related to the fact that the United States gives priority to preventing North Korea from pursuing nuclear development, replacing fuel rods, and reprocessing them over probing the past of its nuclear activities.

A ROK Foreign Ministry official said on 21 June: "The United States outwardly insists on the policy of pursuing special inspections. I know, however, it will not immediately demand special inspections because of technological limitations and a policy for continuing the present phase of dialogue." He also said: "Our government also considers special inspections to be a matter requiring political judgment."

This official added: "North Korea has so far attached greater and greater importance to special inspections of the unreported facilities. Therefore, it is expected that North Korea will not agree easily to special inspections. Also, there is no assurance that any physical evidence will be found in special inspections because North Korea may have relocated a significant amount of nuclear waste materials elsewhere. This is the general conception of the ROK and the United States." In this way he made it clear that the government is considering a plan to withhold special inspections for the moment. At the 20 June closed session of the National Assembly's Diplomacy and Reunification Committee, Yi Hong-ku, deputy prime minister and minister of the National Unification Board, reportedly said that the special inspections issue is a matter requiring not technological approaches but political judgment.

However, the ROK and the United States have not officially discussed and announced their plan to "withhold the probe into North Korea's nuclear history for the moment." Therefore, the United States is expected to refer to special inspections in a roundabout way at the third round of North Korea-U.S. talks.

The ROK Foreign Ministry believes that North Korea processed the fuel rods from the five-megawatt reactor in Yongbyon in 1989 and accumulated seven to 10 kg of plutonium. This is enough plutonium to make one to two small nuclear bombs.

Ministry: DPRK 'Ill-Prepared' for 'Total War'

*SK1806063094 Seoul HANGYORE SINMUN in Korean
17 Jun 94 p 4*

[By Reporter Yi Sang-ki]

[Text] As North Korea's nuclear issue has been entering a stage of tension, people's anxiety about a war has been increasing. Indeed, how much possibility is there for a war to break out on the Korean peninsula?

Generally speaking, it may be senseless to try to reach a "clear-cut" conclusion about the possibility of a war breaking out. Perhaps this is why the authorities concerned at the Ministry of National Defense [MND] have come up with the following projection on North Korea's recent military movements: "Whereas there is very little likelihood of a total war breaking out," the authorities stress, "the possibility always exists that some limited accidental warfare might be provoked."

Based on the following data, the MND argues that there is little likelihood that a total war might break out: First of all, although it has supremacy in terms of the number of troops and the amount of weapons, North Korean armed forces are ill-prepared to carry out total warfare due to the lack of practical exercises on the part of the Navy and Air Force and due to the limited logistical stockpile of military supplies and ammunition. In particular, what is also important is that North Korea's

self-supply rate for oil and food—which are essential in a war—is 40 percent and 60 percent respectively.

Second, the ROK armed forces and U.S. Forces in Korea have a considerable level of combined combat capability of handling the initial stages of North Korea's surprise attack.

Third, the MND has judged that while the United States is firm in its intention to punish North Korea, those countries—including China and Russia—which in the past supported North Korea, have already stopped providing it with military aid, and even if they should continue to do so, would be very passive in providing future aid.

The MND stated: There is very little likelihood that 'a second Korean war' will break out due to a combination of North Korea's military status, the capability of the ROK and the United States to cope with a contingency, and the positions of neighboring countries.

According to the MND, there are now only about 10 out of some 260 signs which indicate a possibility that a war might break out on the Korean Peninsula. Therefore, the present tense situation does not warrant being worried.

But, the MND added: The possibility remains of a limited military conflict caused by an accidental provocation which the unpredictable North Korean regime might commit with a view to finding a breakthrough in the process of solving the nuclear crisis.

The MND feels, in particular, that we cannot entirely rule out the possibility of a limited military conflict escalating into large-scale warfare. According to the MND, as far as the international community's sanctions against North Korea regarding its nuclear issue are concerned, we are actually worried that North Korea might try to blockade the five islands, including Paeknyong Island, in the West Sea, or bombard the ROK Forces stationed near the ceasefire line.

Accordingly, the MND has regarded the remarks—which the North Korean authorities have recently made—not as the expression of their will to provoke a war, but as aimed at staging psychological warfare attempted at creating among South Koreans, a fear of war and an atmosphere for opposing hard-line sanctions against the North. In recent months, North Korean authorities have made tough-line remarks such as: "We will regard UN economic sanctions as a declaration of war,"; or "sanctions are a war, a war is merciless"; or "when a war breaks out, South Korea will be devastated by smashing attacks."

Some officials have also pointed out that a war on the Korean Peninsula is likely to break out with a preemptive strike against North Korea by the U.S. rather than by North Korea's reckless provocations. The so-called preventive war theory has been regarded as one of U.S. Government's options since U.S. Secretary of Defense William Perry made the following remarks in April: "If

North Korea should continue nuclear development, we are ready to conduct a bombing raid on its nuclear facilities."

In dealing with North Korea's nuclear issue, the United States's position is to maintain control over nuclear development even if it entails having to go to war, while the ROK is of the opinion that a war on the Korean Peninsula should be prevented by any means. This is an important difference between the two countries. We also cannot rule out the possibility of a conflict in the national interests of friendly nations at a decisive moment.

Ministry Conducts Poll on Unification

SK2006071794 Seoul YONHAP in English 0704 GMT 20 Jun 94

[Text] Seoul, June 20 (YONHAP)—Eighty-five percent of South Koreans believe the 1950-53 Korean war resulted from a North Korean attack and 53 percent see the possibility of another Northern invasion, according to a Gallup poll released Monday.

Gallup conducted the survey May 29 at the request of the Information Ministry. A total of 1,000 people above 20 years of age were queried over the telephone on "public consciousness of national security."

The poll revealed that 85.1 percent of the respondents felt North Korea triggered the Korean war while a mere 0.8 believed the reverse. The remaining 14.1 percent replied that they didn't know.

Asked their opinion on national unification, 31.4 percent responded that it should be accomplished at any cost, representing a diminished rate in absolute public support for national reunification.

Meanwhile, 38.5 percent supported the present state of peaceful co-existence while 26.3 percent replied that "if unified, it's good but if circumstances do not permit, there is no need to realize it unnecessarily." Just 3.8 percent favored the present status quo "as unification would bring about a great deal of confusion."

With regard to paying for unification, 49.8 percent of the pollees cited inter-Korean economic relations and Southern assistance for the North in opening its economy. Another 29.6 opted for public donations.

Firms Study Chances for N-S Economic Exchange

SK2106063794 Seoul HANGYORE SINMUN in Korean 21 Jun 94 p 7

[By Reporter Kwak No-pil]

[Text] Business circles have begun a review of the long-term prospect for "the situation after the summit talks," while expressing their welcome to the possibility that the idea of imposing economic sanctions against the

North has gone far away because of the movements to push for the South-North summit talks.

This notwithstanding, while viewing that it is difficult to find a breakthrough in South-North economic cooperation for the time being, the business circles seem to take a wait-and-see attitude for the present as before. This is because of the prevailing view that a hasty reaction is a taboo under the circumstances in which a change might occur in the South-North Korean relations at any time as have been thus far.

But, on the basis of their judgment that nothing will go amiss in conducting the trade based on the processing-on-commission or an indirect trade through third countries with North Korea, which have been planned to be realized this year, the business circles have decided to study again their plan to conduct trade with North Korea, which they have decided to put into action for the time being. In particular, Lucky Goldstar, Samsung, and Daewoo Groups, which have been more active than any other enterprise in the South-North economic cooperation, have already begun studying the possibility of investing in North Korea after the summit talks are realized, while viewing that there is a higher possibility than ever before that the South-North summit talks will be realized.

Lucky Goldstar Group, which has engaged in more trade with North Korea than any other business group in the country, has decided to resume its trade based on the processing-on-commission with North Korea at an early date, which it has so far held back. The group will push for trade based on the processing on commission worth \$3.5 million, as it already planned at the beginning of the year. It will ship raw and subsidiary materials worth \$200,000, for whose permission it applied to the government on 11 June.

Chang Kyong-hwan, manager of the North Korea Team of Lucky Goldstar Corporation stated: "While its wage level is very low, North Korea's level of sewing and simple assembling technique is considerably high. The trade based on the processing-on-commission is very profitable from the viewpoint of an enterprise."

Samsung Group has taken a big interest in investing in North Korea's social overhead capital-related facilities, such as repairing and expanding of the facilities at Chongjin Port. The group is going to indirectly help North Korea solve the shortage of consumer goods by building electronics appliances, sweaters, and food stuff factories if circumstances permit, while actively utilizing this as an opportunity to advance into the North.

Daewoo Group has a mind to push afresh for the construction of the Nampo Estate—whose idea was discussed when its chairman Kim U-chung visited North Korea—thereby reaching an advantageous ground in an advance into the North ahead of any other business group.

The group is going to push for the development of a zinc mine—which occupies the largest portion in the items imported by the businesses from North Korea—and a joint fishery project at the same time.

A project to develop Mt. Kumgang, on which an agreement was reached when Chong Chu-yong, honorary chairman of Hyundai Group, visited North Korea in 1989, has remained in the doldrums as a result that the South-North relations have become tense. But, on the basis of its judgment that in case the South-North summit talks come true, there is the high possibility that such a project will be discussed in earnest, the group has begun reexamining the idea of pushing for the project. Hyundai has been reported to prepare a foothold for its transactions with North Korea through small-scale investments, including the building of a cotton textile plant.

Other business groups have also begun reexamining their investment plans which they have delayed putting into force. Sunkyung Group has been interested in establishing sewing and fishery product processing plants; Ssangyong Group in establishing joint-venture footwear, and fishery product processing plants; Kolon Group in a dye processing works; and Kumho Group in building a tire plant.

One official concerned of the Federation of Korean Industries said: "Because the South-North economic cooperation issue has so far been too politically subjected to political issues, it has been difficult to push ahead with such projects on a consistent basis. The almost prevailing view of the working-level employees of the business groups is that it is necessary to push for economic cooperation—aside from political questions—so that we may not be outmaneuvered by Japan in terms of an advance into the North."

Chinese Consulate Abolishes 'Express Visa'

SK1506034394 Seoul THE KOREA HERALD in English 15 Jun 94 pp 3, 5

[Text] The Chinese Consulate in Seoul yesterday announced its decision to abolish the so-called "express visa" for individual applicants from June 20. But the "express visa" applied for by travel agencies on behalf of their clients will remain intact.

The consulate had offered applicants two options according to the speed of processing visas. One was a "regular visa" which was processed in a week at a cost of 15,000 won, and the other is an "express visa" which was processed in just three days at a cost of 35,000 won.

More and more people who had been plagued by the delay in visa issuance opted for the express visas, to make sure they got their visas before their scheduled departures. They were willing to pay more than double the original fixed fee.

Other embassies in Seoul, including the Russian and Vietnamese Embassies also charge the so-called "express fees."

It's a war. This is what Korean applicants say of the visa application procedure at the Chinese Consulate in downtown Seoul.

Not war refugees but visa applicants are striving to obtain permission to enter China.

A travel agent, identified only as Cho, has stayed up all night on the stair-case outside the consulate office. It is still dark outside and it is still three hours before the consulate opens.

Her thick jacket doesn't match the month of June, early summer. But she needed the clothes to withstand the night chill.

Her job is to apply for Chinese entry visas on behalf of her clients. Individual applicants as well as Cho and other travel agents have waited all night long to submit visa applications, sitting on a concrete floor.

Since the government announced the liberalization of trips to China April 1, the number of Koreans who want to visit the country has sharply increased. And naturally the number of visa applicants at the Chinese Consulate has also gone up.

The visa application and issuance section at the consulate, however, operates only from 9 to 11:30 A.M. The consulate office is always overcrowded.

Even before the office opens, the long line for visa applications runs down to the front door of the building. The consulate is located on the third floor.

"I came here last night. Otherwise, I could not succeed in getting even the chance to apply," said Yi Yong-chin, another travel agent, adding that he had been forced to come earlier and earlier.

A woman from Taegu in her 60s complained that the consulate staff never considers the inconvenience of the visa applicants. She voiced the hope that more visa application windows will be installed at the consulate.

"It is the second time I've tried to obtain an entry visa after failing to get a visa last week. It would be exhausting to return home without even applying for a visa again," she said.

Chinese Consul General Zhu Yigang, however, said at present the consulate has no plans to establish more application windows.

There are a total of six windows inside. One is for issuing visas; three for receiving application forms, two of which are normally open; and the other two for taking visa fees. Moreover, on one of the two application windows is posted a notice reading "Chinese Living in Korea and diplomats First."

"To deal with the flood of visa applications, I think the consulate should extend the current hours for application into the afternoon," said Son Nam-kyu, a businessman living in Kwangmyong City in Kyonggi Province. But the consul general said the consulate cannot extend the office hours for application any longer because the staff has to process more than 1,000 visas in the afternoon.

Asked about the chances of filing the visa application form during the day, Kim Chin-myong, who was the 20th in the waiting line, was a little skeptical.

"Yesterday, I failed to make it though I was sixth," said the frustrated man, pointing his finger to a pile of application forms of a travel agent in front of him.

Unfortunately, there were more than 10 agents waiting their turn with scores of application forms in front of Kim. But he can also find more than 200 people waiting behind him.

"I initially planned to ask for a regularly-processed visa, but I will apply for 'a speedily-processed visa' at an additional fee of 20,000 won (about \$25) because the issuance may be later than I expected," said Kim.

As individual applicants can hardly succeed in visa application, they decide to leave the visa work to travel agencies.

The agencies dispatch their employees to secure places at the front of the application line. Each client pays from 10,000 won to 20,000 for the service, sometimes more, plus the visa application fee.

"Because I thought the total fee for the visa application asked by an agency was too expensive, I came here to do it for myself. But I had to stay at a hotel after I failed to apply for it yesterday, spending much more money than the agency had asked. I should have entrusted the work to the agency," said an applicant from Pusan.

Some agencies are cashing in on the difficulty in applying for visas. It is an open secret that an applicant must pay from 150,000 won to 300,000 won to a travel agency to get a one-day-processed visa at the Chinese Consulate.

President Cables PRC President About Floods

*SK2106120694 Seoul YONHAP in English 1108 GMT
21 Jun 94*

[Text] Seoul, June 21 (YONHAP)—President Kim Yong-sam cabled a consolatory message to Chinese President Jiang Zemin on Tuesday in connection with the recent flood in southern China.

President Kim said he was grieved at the reports of the large losses of human lives and properties suffered in the flood, saying he was praying for early reliefs and rehabilitation.

Cabinet Approves Entry Into WTO Agreement

*SK2006121394 Seoul YONHAP in English 1149 GMT
20 Jun 94*

[Text] Seoul, June 20 (YONHAP)—The government, in a cabinet meeting on Monday, approved a bill providing for the country's joining of the Marrakesh agreement on the establishment of a World Trade Organization (WTO).

The bill, if approved by the president, will be referred to the National Assembly on June 22 for review and approval.

A World Trade Organization is to be set up as a permanent organization in place of the General Agreement on Tariffs and Trade (GATT).

National Assembly Extraordinary Session Scheduled

*SK2206100694 Seoul YONHAP in English 1002 GMT
22 Jun 94*

[Text] Seoul, June 22 (YONHAP)—The 169th extraordinary session of the National Assembly is set to open on June 25 for a 20-day run through July 14.

The National Assembly speaker announced the convocation of the new assembly session Wednesday afternoon immediately after the floor leaders of the ruling Democratic Liberal Party [DLP] and opposition Democratic Party [DP] agreed on the new sitting.

Yi Han-tong of the DLP and Sin Ki-ha of the DP agreed that the session would act on an amendment to the National Assembly law on June 25 and select the new assembly speaker, vice speakers and committee chairmen on June 28 before it would go into committee-level activities.

The floor leaders also agreed to create an ad hoc committee on woman affairs at the assembly.

Government: 'Stern Warning' Against Strike

*SK2006020994 Seoul YONHAP in English 0150 GMT
20 Jun 94*

[Text] Seoul, June 20 (YONHAP)—The government issued a stern warning Monday against a move by locomotive engineers and subway workers to stage a nationwide strike next Monday.

In a joint statement by the home, justice, labor and transportation ministers, the government said any attempt to stop the country's railways and subways "cannot be pardoned."

If Chonkihyop [The National Council of Locomotive Engineers], a private group of locomotive engineers having no collective bargaining power, does not drop its strike plan, the government will have no choice but to take strict legal action, the joint statement warned.

The locomotive engineers' strike, if staged in spite of the government's announcement over the weekend of a package of measures to increase wages and improve working conditions for railway workers, would be considered an anti-social act, it said.

The statement came in response to the move by Hyundai and Daewoo workers and some "unregistered" labor unions, such as Chonnodae (The National Council of Union Representatives) and Chonnohyop (The National Council of Labor Unions) to strike in sympathy with the strike by locomotive engineers and subway workers.

In a related development, the Seoul subway workers union said Sunday it had dropped plans to launch a "work-to-rule struggle" Monday in view of the resulting inconvenience for passengers.

But the union warned that if its demand for a 14.5-percent wage rise was not accepted, it would go on strike starting at 4:00 a.m. next Monday as announced earlier.

Police Arrest Students for Train Stoppage

*SK2106045694 Seoul YONHAP in English 0259 GMT
21 Jun 94*

[Text] Seoul, June 21 (YONHAP)—Students belonging to Namchongnyon (The Federation of Student Councils in Kwangju and South Cholla Province) arrested in connection with violent demonstrations in Kwangju and Seoul over the weekend, including the forced stoppage of a Seoul-bound train near Kwangju, increased to 109 Tuesday morning, the National Police Agency said.

In addition, 57 were booked without physical detention and nine others underwent interrogation to determine whether they should be arrested or booked, a police spokesman said.

But the prosecution announced different figures—99 students arrested, 61 booked without physical detention and 62 under interrogation.

The number of arrested students is expected to rise sharply as the police, estimating those involved in the forced train stoppage at 500 to 550, have decided to arrest all of them.

Of the 109 arrested students, all but two belong to Namchongnyon, the spokesman said.

He added that in the future Namchongnyon-led demonstrations would not be permitted unless peace was guaranteed, as the violent protests over the weekend were led by the organization.

In a related development, the police are interrogating 270 farmers and students about their roles in demonstrations opposing National Assembly ratification of the Uruguay Round agreement in Yoido and Yongdungpo Monday.

Those found to have resorted to violence, such as wielding steel pipes against train workers to occupy railways, during the demonstrations will be arrested, he said.

President Kim: Violence Cannot Be Tolerated

SK2106094694 Seoul YONHAP in English 0710 GMT 21 Jun 94

[Text] Seoul, June 21 (YONHAP)—President Kim Yong-sam, expressing deep concern over recent violent actions by students, said Tuesday that violence cannot be tolerated in a democratic society.

The president made the point at a meeting with his secretaries in charge of administrative affairs, including Kwak Man-sop, referring to such actions as the seizure of a train by students belonging to Namchongnyon, the Federation of Student Councils in Kwangju and South Cholla Province.

A participant in the meeting said the president voiced concern over the recent violent demonstration and emphasized that the government should take bold steps against illegal and violent actions to preserve law and order.

Referring to a threatened strike by railway and subway workers, Kim said that labor movements should respect the law. He said he could not understand illegal and collective actions by those who perform public functions.

Biographical Sketch of DPRK Military Leaders

SK2206095094 Seoul CHUGAN CHOSON in Korean 23 Jun 94 pp 24-25

[Text] The sudden visit to China by Choe Kwang, chief of the General Staff of the North Korean Army, on 6 June, when the international community's moves for sanctions against North Korea were in full swing, undoubtedly prompted a lot of attention at home and abroad. Of course, the focus of the attention was directed to his meetings with high-ranking Chinese leaders, including Jiang Zemin. However, we also focused our attention on the fact that he is 76 years old.

If he were in our country, he would be at the age of taking care of his grandchildren at home. However, he is still playing a most important role in the North Korean society. What is more unique is that most of the members of the supreme leadership of the North Korean Army are in their seventies and over.

In April 1992, North Korea took the large-scale personnel action of promoting 664 general officers on the occasion of the 60th anniversary of the founding of the People's Army. This personnel action was aimed at strengthening the control of Kim Chong-il, who assumed the post of supreme commander of the People's Army in 1991, as well as at promoting general officers' morale. At that time, Vice Marshal O Chin-u, minister of the

Ministry of People's Armed Forces, was promoted to marshal; and eight officers, including Paek Hak-nim, minister of the Ministry of Public Security, was promoted from general to vice marshal.

These officers are core figures in the People's Army, and all of them are over 70 years and some are almost 80.

This is because the only organization that Kim Il-song can trust is the North Korean military establishment, and again the class that he can trust in the North Korean military establishment is none other than the anti-Japanese guerrilla faction. There is no age retirement system or grade retirement system in the North Korean Army. Accordingly, they can stay in these high positions until they die.

Let us examine the biographies of North Korean military leaders.

O Chin-u, 77, is from Pukchong, North Hamgyong Province. He moved to Jiandao, Manchuria with his parents and spent his childhood there. He is known to have participated in anti-Japanese guerrilla activities under Kim Il-song in 1933. He participated in the 25 June Korean war as commander of a guerrilla unit. After the war, he served as commander of a People's Army corps and, later, as commander of the Air Force. In 1961 he became member of the Central Committee of the Workers Party and ranked 24th in the committee.

His emergence in a core position of power was possible because he played a leading role in the two purges staged to establish Kim Il-song's unitary system. He was in the lead when Kim Il-song purged his political rivals Yi Hyo-sun and Pak Kum-chol in March 1967. In recognition of his merits in the purges, he was promoted to director of the General Political Bureau of the People's Army.

In 1969, he also played a leading role in purging some high-ranking general officers such as the then National Defense Minister Kim Chang-pong and the then anti-South Korean operations director Ho Pong-hak. Thus, he gained Kim Il-song's absolute confidence. Since 1976, he has assumed the post of minister of the People's Armed Forces. Afterward, he made great contributions to building the foundation for Kim Chong-il's hereditary power.

In particular, on the occasion of the 30th anniversary of the founding of the Workers Party in 1975, he published the treatise "Our Party Is a Revolutionary Party Led by the Great Chuche Idea." Through this treatise, he was actively involved in building the Kim Il-song-Kim Chong-il system. As a result of this treatise, it has become a usual practice for general officers to publish a treatise pledging loyalty on the occasion of the party founding anniversary day and the People's Army founding anniversary day.

In a nutshell, he ranks third in the order of power and is "the incarnation of Kim Il-song and the guardian of Kim Chong-il."

Choe Kwang is the figure who has traversed the roads of life's vicissitudes by being relegated from the post of chief of General Staff of the Army to a mine worker and returning to the post of chief of the General Staff of the Army again. He was born in Huchang, North Hamgyong Province and traversed a path of life similar to that of O Chin-u.

After he moved to Manchuria with his parents, Choe Kwang participated in anti-Japanese guerrilla activities with Kim Il-song in 1935. He participated in the Korean war as the commander of a division. After the Korean war, his promotion was faster than O Chin-u's; he became vice minister of the then National Defense Ministry in 1962 and chief of the General Staff of the People's Army in 1963.

In 1969, however, he was demoted to a mine worker for his sympathy with an "antiparty plot" involving Choe Chang-pong.

When he worked as a mine worker, Choe Kwang worked hard in tunneling work. He wrote a letter of self-criticism everyday and sent it to the party. Thus he showed repentance. Such an attitude was reported to Kim Il-song, and he was reinstated in 1977. Afterward, he became chairman of the South Hwanghae Provincial People's Committee and, later, candidate member of the Political Bureau of the party Central Committee. In 1988, he returned to the post of chief of the General Staff of the North Korean People's Army. Since then he has firmly held the post of regular member of the Political Bureau until now.

Paek Hak-nim, 76, is a politically-oriented military man who is enjoying the absolute confidence of Kim Il-song and Kim Chong-il. He is from Pungsan, North Hamgyong Province. He participated in the anti-Japanese guerrilla activities. After the country was liberated from the Japanese domination, he came to Pyongyang as the commander of a company in the security guard unit for Kim Il-song. He participated in the Korean war as the commander of a regiment. He served as commander of a corps and member of the Military Armistice Commission. From 1961 to 1969 he served as Kim Il-song's senior aide and as commander of Kim Il-song's security guard unit.

After serving as vice minister of the People's Armed Forces, he has served as minister of the Ministry of Public Security since 1986.

He is known to have looked after Kim Il-song at the houses of O Chin-u and Kim Il after Kim Chong-suk, his wife and Kim Chong-il's mother, died. It is known that when Kim Chong-il was a university student and a primary-level party cadre Paek Hak-nim looked after Kim Chong-il so that he could grow up to become the

"successor." As a result of this, it is known that he has maintained very sincere and friendly relations with Kim Chong-il.

The background of Yi Ul-sol and Chu To-il, members of the Military Commission of the party Central Committee, is similar to that of Paek Hak-nim in term of their careers during the period from the days of their anti-Japanese guerrilla activities up to the fifties. Afterward, however, they grew up to be combat unit commanders.

Yi Ul-sol, 74, is from Musan, North Hamgyong Province. He served as commander of a company in Kim Il-song's security guard unit and as commander of the public security officers training unit. He was commander of a regiment during the Korean war. Later, he served as commander of the 15th division. He studied at the Soviet Military Academy. Afterward, he held important posts in the Army such as the commander of the Fifth Corps, commander of the First Army, and first deputy chief of the General Staff of the People's Army.

He attracted Kim Il-song's attention for the first time in January 1969, when he dealt with the Kim Chang-pong incident. At that time, he played a leading role in arresting Kim Chang-pong and Ho Pong-hak and personally interrogated them. Thus, he played a leading role in purging high-ranking Army officers who were under the influence of Kim Chang-pong and Ho Pong-hak.

In 1978, he played a leading role in purging Yi Yong-mu, director of the General Political Bureau of the People's Army; and Chang Chong-hang, vice minister of the People's Armed Forces; who were reportedly opposed to Kim Chong-il's succession to power.

Chu To-il, 78, is known as a figure who played a leading role in modernizing the North Korean People's Army and, in particular, as a top expert in the light infantry sector. He is from Wangqing, Manchuria. His military career and the role he played in purging those opposing Kim Chong-il's succession to power were not inferior to that of Yi Ul-sol. He is now commander of the Pyongyang Defense Command.

Vice Marshal Kim Kwang-chin, vice minister of the People's Armed Forces, was a member of the North Korean delegation to North-South high-level talks and is well known to us. He studied at a high school in the Soviet Union and a Soviet Army artillery school. He participated in World War II as a Soviet Army artillery officer. He participated in the Korean war as deputy commander of a division of the People's Army. He is known to have advanced to Taegu during the Korean war. His age is known to be 76 (born in 1918). However, when he came to Seoul as a member of the North Korean delegation he reportedly told our side's delegate: "I am not that old."

The career of Vice Marshal Kim Pong-yul, 77, is very similar to that of Kim Kwang-chin. He was born in Sinuiju and studied at Leningrad University. He came to

Pyongyang in 1945 with the rank of Soviet Army master sergeant. He served as deputy commandant of the Kaechon public security officers school. He participated in the Korean war as artillery commander at the Supreme Headquarters of the People's Army. He also served as vice minister of the National Defense Ministry [predecessor of the Ministry of People's Armed Forces]. He is now vice minister of the People's Armed Forces and concurrently member of the National Defense Commission of the party Central Committee.

Yi Tu-ik, member of the National Defense Commission of the party and military theorist, was born in Manchuria and graduated from the public security officers school in Manchuria. He is 73 years old. He is known to have contributed to the publication of many articles calling for the withdrawal of U.S. troops from South Korea. He served as commander of the Ninth Division and as director of a bureau at the National Defense Ministry. Since 1980, he has assumed the post of member of the Military Commission of the party Central committee.

Choe In-tok, president of Kim Il-song Military University is also a military theorist like Yi Tu-ik. He is 78 years old. He is from Kangwon Province. He served as commander of the Hamhung District Corps of the People's Army. He was elected member of the party Central Committee in 1980.

Besides these North Korean general officers mentioned above, there are many general officers in their seventies and older in the North Korean Army.

General Kim Chol-man (member of the National Defense Committee) who is known to have mapped out North Korea's four major military lines, is 76 years old. General Cho Myong-nok, commander of the Air Force of the People's Army, is 70 years old. General Cho Myong-sin, who is commandant of Kanggon Military Academy, is 78 years old.

Senior Army Commanders Discuss Troop Readiness

SK2206034294 Seoul KBS-1 Radio Network in Korean 0300 GMT 22 Jun 94

[Report by KBS General Bureau in Taejon]

[Text] On the morning of 22 June, the Army held a conference of major commanders—such as commanders at the corps and above level, and commanders of the Army units under the direct control of Army Headquarters—at the Army Headquarters in Kyeryongdae under the chairmanship of Kim Tong-chin, Army chief of staff. They confirmed their resolve to secure a complete military preparedness in connection with the recent North Korean military movements.

The Army analyzed: North Korea is in a status in which it can launch a provocation at any time, while maintaining the highest-level combat readiness by having

recently deployed to the front area long-range guns, including 170-mm self-propelled guns, and waged large-scale military exercises.

On the analysis of this, while looking squarely at the reality concerning national security, the Army decided to secure military preparedness, achieve reform of consciousness, and push for the tasks of developing the Army during the latter half of this year.

Defense Ministry Plans Soldiers Technical College

94P30069A Seoul CHUNGANG ILBO in Korean 20 May 94 p 2

[Editorial Report] The 20 May Seoul CHUNGANG ILBO on page 2 reported that a meeting was held on 9 May between the Ministry of National Defense (MND) and the ruling party's Special Committee for Promoting National Competitiveness. At the meeting, the ministry revealed several plans that it is ready to implement to support a nationwide effort to raise the country's "competitive edge." One of the MND plans is to open a military technical college. The ministry believes the school will not only teach soldiers the skills needed to "manage and maintain" highly technical military equipment and weapons, but also provide future technicians for the country, since all graduates of the school will be fully licensed. The ministry hopes that the school, which will be open to all soldiers who pass a basic test, will be an added incentive for re-enlistment. The ministry intends to finalize its plans for the school by November, by which time it hopes to have obtained approximately 50 billion won for the school.

Another of the ministry's plans involves issuing technicians' licenses to ex-military personnel. Under the plan, anyone who acquired technical skills while in the military will be exempted from taking all or a portion of the required national technicians' tests. Currently, there are 194 technical fields requiring licenses. The ministry plans to come up with additional fields, such as aerial photography, fire prevention equipment installation, auto works, etc.

Korea Telecom Puts Internet Into Service

SK2106025394 Seoul THE KOREA HERALD in English 21 Jun 94 p 3

[Text] Corporate and individual PC users here will have easier access to a vast library of high-quality information possessed by renowned foreign research institutes as Korea Telecom (KT) launched a commercial Internet service in Seoul yesterday.

Internet is the world's largest academic computer communications network linking 63,000 host computers and LANs in 60 countries.

More than 2 million PCs are connected with each other through Internet and about 10 million subscribers are currently using the service all over the world.

The new service, dubbed Kornet, is expected to provide Korea's ordinary PC users with up-to-the minute information in such fields as economics, culture, science and technology, by way of E-mail, remote login, or file transfer, a KT spokesman said.

The remote login service, for example, will enable Internet subscribers in Seoul to freely operate super computers in the United States.

"High-class information made public by world-class think tanks such as NASA, Bell Laboratories, MIT, FDA, and Harvard and Stanford Universities will be conveniently available to PCs at home and offices here," he said.

The Kornet service will most certainly provide a turning point in the upgrading of the nation's economic and technological bases and form an important part of the proposed information super-highway project, he noted.

So far, the Internet service has been offered to only a small number of state-run research centers.

Critics, however, say that Kornet's service charges ranging from 25,000 won to 5.2 million won per month are "too expensive."

They also fear that a flood of "unhealthy" information would be indiscriminately imported from abroad.

KT plans to expand the Kornet service by the end of this year to cover Pusan, Taegu and other large cities, the spokesman said.

Meanwhile, the state-funded telecom giant yesterday began to offer a new DB (data base) service to help parents locate their missing children through its PC communications network, Hitel.

"Parents whose children are missing can send their children's picture, age and address to Hitel and simultaneously check the network's list of lost children through PCs.

A KT official said Hitel has been linked with police computer networks and a children's foundation responsible for taking care of lost children, adding that information on a total of 8,000 missing children is currently available.

Hyundai Firms Plan To Register on Securities

*SK2006064294 Seoul YONHAP in English 0602 GMT
20 Jun 94*

[Text] Seoul, June 20 (YONHAP)—The Korea Securities Dealers Association said Monday it would be favorably disposed if three unlisted Hyundai Group companies reapplied for registration on the Over-The-Counter (OTC) market, a signal that the government has begun lifting financial restrictions on the group.

The three firms—Hyundai Heavy Industries, Hyundai Elevator and Hyundai Housing and Industrial Development—will submit their reapplications by Monday at the earliest, Hyundai officials said.

The three applied for OTC market registration in March 1992 and again in October 1993 but were turned down each time. They have not reapplied since, the association said.

The Hyundai Group has had "uncomfortable relations" with the government and been subjected to financial restrictions in connection with honorary Chairman Chong Chu-yong's run in the 1992 presidential election.

If the lifting of financial restrictions is confirmed, Hyundai will also apply for long-term loans from the Korea Development Bank, for floating foreign exchange-denominated securities overseas, and for listing of two unlisted firms—Hyundai Merchant Shipping and Koryo Industrial Development—on the stock exchange to reactivate its investment plan for this year, an official said.

Because of the trouble it has faced raising funds, Hyundai has had to kill or put off some projects envisaged under the investment plan scaled at 4.5 trillion won (5.6 billion U.S. dollars) for 1994.

Among the projects scrapped or deferred were construction of two new automobile factories by Hyundai Motor, completion of a new 16-M DRAM assembly line by Hyundai Electronics, and construction of a 1.5-million-ton-class dock and facilities producing 3,000-megawatt-class generators and turbines by Hyundai Heavy Industries.

Brunei, Malaysia & Singapore**Malaysia****EAEC Not To 'Weaken or Undermine' APEC***BK2206093794 Kuala Lumpur BERNAMA in English
0752 GMT 22 Jun 94***[By Salmy Hashim]**

[Text] Washington, June 22 (OANA-BERNAMA)—Malaysia appreciates U.S. concerns over the formation of the East Asia Economic Caucus (EAEC), but assures the United States that the proposed forum would not weaken or undermine APEC [Asia-Pacific Economic Cooperation].

Malaysian Defence Minister Najib Abdul Razak said here Wednesday it was rather disheartening to learn that the United States has formally informed Japan that it is opposed to the ASEAN proposal of EAEC.

I found it rather surprising since the concept ideally promotes market-driven open regionalism and supports regional economic cooperation, he said when opening the two-day fifth U.S.-Malaysia colloquium jointly organised by ISIS [Institute of Strategic and International Studies] (Malaysia) and the Asia Foundation.

U.S. Assistant Secretary for East Asian and Pacific Affairs Winston Lord, who was present at the gathering and stopped by journalists upon leaving, said that the U.S. had given its initial response on the EAEC proposal to its ASEAN friends as well as Japan.

While neither confirming nor denying U.S. opposition to the proposal, Lord indicated that the proposal, presented to the U.S. by ASEAN at the recent U.S.-ASEAN dialogue here, was more elaborate than we expected... But I'd rather not talk about it in this forum ... We just have to wait and see where we go from here.

Asked about U.S. concerns about the proposal, Lord said, we have stated our concerns many times... that we want to participate in the Asia-Pacific area in all aspects.

Najib, in his opening remarks, said that he was aware of the domestic public opinion in the U.S. and even Congressional opposition to such an initiative especially when it does not include the U.S.

I can also understand the concern of the U.S. about a one-voice East Asia, a united East Asia (being led by Japan), he said, but emphasised that the EAEC was not a unity concept but merely a loose consultative forum without a formal secretariat to discuss economic issues of mutual concern.

It is my personal hope that despite the apparent objection by the U.S. on this concept, they should not put up barriers by exerting pressure on others not to support it, said Najib, who is here on a nine-day visit covering Washington D.C., New York, Philadelphia, and St. Louis.

U.S. Urged To Engage in 'Paradigm Shift'*BK2206091594 Kuala Lumpur BERNAMA in English
0735 GMT 22 Jun 94*

[Text] Washington, June 22 (OANA-BERNAMA)—Malaysia has called on the United States to engage in a paradigm shift—moving away from physical presence and concentrating on the role of provider—when playing its security role in the Asia-Pacific region.

Defence Minister Mohamed Najib Abdul Razak said that as a provider, the U.S. could offer countries like Malaysia technology transfer, information, and access to state-of-the-art training to assist in Malaysia's effort to modernise its defence capabilities.

I hope our modernisation process will continue because a stronger Malaysia, in military terms, makes for a stronger ASEAN ... I see it as a deterrent value, he told members of the Carnegie Endowment for International Peace at a luncheon address on Malaysia's concept of strategic security: Towards a Stable and Peaceful Environment Wednesday.

Najib, who is in the U.S. for a nine-day visit, quashes the idea of an arms race in the region, emphasising that Malaysia's modernisation programme was not to keep up with the neighbouring countries, but merely to replace its antiquated asset, some purchased when my father was defence minister, he told an amused audience.

There is no immediate threat, but if things do go wrong (I'm not saying things will go wrong) we will be more prepared ... ASEAN will be more prepared. Who knows what will happen in the 21st century, he said.

On why Malaysia recently purchased only eight F-18 from the U.S. but 18 MiG-29 from the Russians, he explained that the costs of the two packages were equivalent.

He added that although the Russian MiGs were older, they were equipped with new engines and air frames that met Malaysia's specifications and current needs.

As for the eight F-18s, he quipped, there's scope for more ... We only have half a squadron ... No pilot likes to fly with half a squadron.

Najib later told journalists that Malaysia had no immediate plans to purchase additional F-18s and that his visit to the McDonnell Douglas plant in St. Louis, Missouri next week was to identify areas of cooperation and technology transfer.

British Minister Says Statement Not 'Threat'*BK2006123994 Kuala Lumpur NEW STRAITS TIMES
in English 17 Jun 94 p 1*

[Excerpt] Kuala Lumpur, Thurs.—British Trade Minister Richard Needham has clarified that his statement that pressure would grow on his government to retaliate

if Malaysia continued with its policy of not awarding new government contracts to British firms, had been taken out of context.

Deputy Foreign Minister Datuk Dr. Abdullah Fadzil Che Wan said today Wisma Putra [Ministry of Foreign Affairs] received a letter from Needham last week.

Dr. Abdullah said the letter was discussed at yesterday's cabinet meeting and Needham's reasons were noted.

"It was decided that no further action is necessary on the matter as the reasons given were deemed sufficient," he added.

Dr. Abdullah said Needham had made it clear that his statement to REUTER News Agency was not meant as a threat to Malaysia.

Asked if Needham had explained in what context he gave the statement, Abdullah said he did not elaborate this in his letter.

"The reasons given are sufficient... there is no possibility of retaliation (by Britain) and we will accept that (the reasons)," he told reporters after receiving a RM [Malaysian ringgit] 10,000 cheque for the Barisan Bertindak Bosnia [Bosnian Action Front] Fund from Rotary Club District 330 at his ministry.

Asked if Wisma Putra had sought the clarification from Needham, Dr. Abdullah said no. He said Needham sent the letter on his own accord after reading in the newspapers about Malaysia's dissatisfaction over his statement. [passage omitted]

Memorandum on Communications With Mexico

BK2206093594 Kuala Lumpur BERNAMA in English 0712 GMT 22 Jun 94

[Text] Kuala Lumpur, June 22 (OANA-BERNAMA)—Malaysia, one of the emerging and fast growing economies in Southeast Asia, can serve as a gateway for Mexican investors for the rest of the region, Energy, Telecommunications, and Posts Minister S. Samy Vellu said.

Malaysia's favourable investment incentives and its off-shore financial centre would facilitate the flow of capital to the region, he added.

The prospect of trade between both countries is bright and tremendous as both governments have liberalised and privatised state-run companies, including various utilities, he said.

He was speaking at the signing of a memorandum of understanding [MOU] on communications between Mexico and Malaysia in Mexico City Tuesday. The text of his speech was released by his ministry here Wednesday.

Minister of Communications and Transport Emilio Gamboa Tatron signed for the Mexican Government.

Under the MOU, both sides would explore the possibility of using their satellite systems to handle communications traffic between Latin America and the Asian region.

The Malaysian East Asia Satellite (Measat) is due for launch next year, while Mexico already has its Solidaridad satellite.

The MOU would also explore the technical and economic feasibilities of using both satellites to handle communications traffic between both countries.

Ministry To Buy Combat Vehicles from ROK

BK2206073194 Kuala Lumpur NEW STRAITS TIMES in English 18 Jun 94 p 8

[Text] Kuala Lumpur, Fri.—The Defence Ministry today signed an agreement with Daewoo Heavy Industries of South Korea to buy 22 Infantry Vehicles for US\$13 million (RM[Ringgit] 33.6 million).

The vehicles, expected to be delivered between next month and August, are for use by Malaysian troops serving under the United Nations Protection Force in Bosnia-Herzegovina.

The ministry's secretary-general, Datuk Sri Kamaruzaman Shariff, signed on behalf of the government while Daewoo was represented by its president Ki Bum Yu.

This is the second such contract between the ministry and the company.

The first contract was for 42 vehicles worth RM63 million signed here in January.

Mahathir Endorses Housing Project in Africa

BK2206085894 Kuala Lumpur BERNAMA in English 0452 GMT 22 Jun 94

[Text] Kuala Lumpur, June 22 (OANA-BERNAMA)—Prime Minister Dr Mahathir Mohamed Tuesday witnessed the signing of a memorandum of understanding (MOU) between a Malaysian and an American consortium to undertake a housing and infrastructure project in South Africa.

The Malaysian companies led by Taliworks (Oversea) Sdn Bhd [private limited] will participate in the construction of low- to medium-cost houses, complete with infrastructural facilities.

It will also help create new townships, apart from expanding existing ones.

The American consortium, headed by Black & Veatch International company, will be responsible for the drawing up of a masterplan of the township and housing development besides providing financial backing and participating in power generation projects.

Speaking to reporters after the ceremony, the prime minister said he was very happy that American and Malaysian companies had come together to work in South Africa.

We have always stressed that in our relationship with South Africa, we would contribute to solving some of their social, economic and even political problems, he said.

He said the situation in South Africa was not unlike that in Malaysia and there was a need to restructure society and to bring in everybody so that each one would have a share in the wealth of the country.

I think this is an area that Malaysians are conversant with, he said adding that Malaysia could help to resolve problems on inequitable racial development in South Africa.

Dr Mahathir said he was quite sure the Malaysian and the American companies involved in the project were aware of the problems and would implement their projects with due regard to the situation in South Africa.

On the opening of a mission in South Africa, he said Wisma Putra (Foreign Ministry) had sent a representative there.

The MOU was signed by Taliworks Chairman Mohamed Hussaini Abdul Jamil and Black & Veatch Asia Pacific Managing Director and Regional Executive Howard A. Russel.

Works Minister Datuk Leo Moggie, who was present, said Taliworks had some experience in civil and construction works, particularly in water development.

However, their involvement in the MOU now is only at the conceptual stage and it is intended that a consortium of various Malaysian companies will participate when the whole project becomes more concrete later on.

The idea now is to have a framework that can work together with a group of American companies so that we can work out the details and the involvement of other potential companies will be determined at a later date, he said.

Police Officers Leave for Peacekeeping Duty

BK2206093094 Kuala Lumpur NEW STRAITS TIMES in English 18 Jun 94 p 9

[Excerpt] Petaling Jaya, Fri.—The second batch of 35 police officers left early yesterday by a Malaysia Airlines flight from the Kuala Lumpur International Airport in Subang to serve as peacekeepers with the United Nations Operations in Mozambique (Unomoz).

Led by Superintendent Shamsuri Abdul Rahim, 45, the officers left at 1am [1700 GMT] to Johannesburg, South Africa enroute to Maputo, the capital of Mozambique. They will be in transit in Johannesburg for eight hours before catching a local flight to Maputo.

Shamsuri is the head of the administration unit of the Disciplinary Branch with the Federal police headquarters in Bukit Aman.

He said his team would spend about a year with Unomoz and gradually replace the first batch of 35 officers who began their duty on November 16 last year.

"We will be stationed in groups throughout the 11 provinces in Mozambique as observers for the October 30 general elections there," he told newsmen at the airport. [Passage omitted]

Mahathir Blames Opposition for Image

BK2106121994 Kuala Lumpur NEW SUNDAY TIMES in English 19 Jun 94 pp 1, 4

[Text] Kuala Lumpur, Sat.—The increasing support for the MCA [Malaysian Chinese Association] shows that the party is now more acceptable to the Chinese community and this augurs well for the Barisan Nasional [BN], Prime Minister Datuk Sri Dr. Mahathir Mohamed said today.

He said a strong MCA meant that BN would become even stronger.

In congratulating the party leaders and members for their hard work in making MCA a strong and respected party, he said the community should continue to support the party as it was the only one which could safeguard the interests of the Chinese in the context of a multi-racial society.

"The MCA is also acceptable to UMNO [United Malays National Organization] and other component parties as it is not extreme or racist.

"It can also resolve problems in a rational way, quiet but effective," he said at the opening of the 41st MCA annual general meeting at Wisma MCA [MCA Building], here.

Dr. Mahathir also said that it was important that the people support the Barisan Nasional government for the country's continued stability, development and prosperity.

The government was a "tested" one and had proven its ability to fulfil the needs and aspirations of all races, he said, adding the BN government was fair to all races and gave priority to their interests and those of the country.

"As a result, the country enjoys peace and prosperity and is free from any racial strife."

Dr. Mahathir drew applause from the delegates when he said that the country's successes in various fields had drawn worldwide attention and many countries had even indicated their intention to learn from Malaysia.

Dr. Mahathir said the moderate BN government also strongly opposed any form of extremism.

"Extremism, racial or religious, in a multi-racial and multi-religious country like Malaysia will only bring about instability and riots," he added.

Dr. Mahathir, who is also the BN chairman, said that despite the country's successes, there were certain quarters who were unhappy and had criticised and alleged that the country was undemocratic, unfair and had no respect for human rights.

"What is more disappointing is that there are opposition politicians who are influenced by this or have joined in such efforts to smear the country's image. They (opposition politicians) even supply false information to these people," he added.

Dr. Mahathir said the government was aware of individuals and opposition politicians who alleged, among other things, that there was no freedom of speech through their interviews with the foreign media.

"The fact that they can express their opinions and provide incorrect information only shows that they are lying," he said, adding that the government was disappointed with the actions of these opposition politicians which he described as "betraying the country".

"The difference between BN members and the opposition parties is that BN members are responsible for maintaining the country's image, to develop the nation and preserving harmony and peace.

"On the other hand, the opposition parties do not have any programmes for the good of the country.

"Besides, these opposition parties only know how to reject facts and criticise the country's success, knowing that such actions would be detrimental to the country and the people."

Dr. Mahathir also spoke of some opposition parties which had even belittled the country in the international arena.

"They even accuse Malaysia of aiding the Bosnians through its participation in the United Nations peace-keeping force in Bosnia-Herzegovina ... when they have done nothing for the Bosnian victims."

He reiterated that it was Malaysia's sovereign right as an independent nation to voice opinions and views on issues that involved the country and other developing nations.

On talk about an early general election, Dr. Mahathir said the "election fever" had already started and attributed this to the opposition parties.

"It is believed that the opposition started this and fearing that this will only affect their own members, they have also decided to spread the fever to the Barisan Nasional members," he said, drawing laughter from the delegates.

He reminded the delegates that the BN had the mandate to rule the country until October next year and said: "We have yet to decide on the date."

However, all BN component parties must be ready to face the general election any time.

He said the opposition parties were worried due to lack of issues.

He said there was a party which was so desperate that it abandoned its so called liberal policy.

It tried to get Malay support by changing its name and claiming to be a Malay party for the Malays.

However, when they were confronted by non-Malays, they claimed to be championing the cause of non-Malays, he said.

He said it was the same with a party which claimed to be championing the cause of the Chinese but when challenged to do something for the Chinese, they denied championing the cause of the Chinese.

Cambodia

Khieu Samphan Statement on Office Closure

BK2206025894 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian
2330 GMT 21 Jun 94

[Statement issued by Khieu Samphan, chairman of the Party of Democratic Kampuchea, on 21 June; place not given—read by announcer]

[Text] I. At 1830 on 17 June, the Democratic Kampuchea [DK] office received a letter from the Interior Ministry of the two-headed government signed by Sar Kheng and Yu Hockri. It ordered the Democratic Kampuchea representative and his entire staff to withdraw from the DK office before 19 June 1994.

II. According to reliable reports, Interior Minister Sar Kheng and Defense Minister Tie Banh—both communist Vietnamese puppets—met on the orders of their communist Vietnamese masters to adopt this measure on 14 June; that is, before the roundtable commission meeting on 15 and 16 June.

III. According to these reliable documents, the Assembly did not meet to decide on this matter and the king did not know about it in advance. Therefore, the move to close the DK office in Phnom Penh was a dictatorial and fascist measure by the police and troops of the communist Vietnamese puppets. They are no different than Hitler's fascist Gestapo. This was a decision made by communist Vietnam and its puppets, who oppose national reconciliation and peace and who continue to fuel the communist Vietnamese war and annex Cambodia at will.

IV. As for the Party of Democratic Kampuchea [PDK], it does feel the need to leave its office in Phnom Penh for the following reasons:

1. The PDK is not afraid of the puppets' fascist police and troops—the lackeys of communist Vietnam. The DK has fought more than 250,000 communist Vietnamese aggressor troops since 1979. It dealt them repeated serious blows until forcing them to sign the October 1991 Paris agreement. The DK is not afraid to make sacrifices. It has done so repeatedly and has left everything behind to defend the nation, race, and land. The DK has no goal other than this—it does not seek profit or power.

2. The DK set up this office following the Paris agreement at the request of the king and of people from various circles in Phnom Penh as well as people nationwide. It did so at the request of the overwhelming majority of peace and justice-loving countries around the world who want the various Cambodian sides to have contact and talk with one another to achieve national reconciliation and peace so that Cambodia can enjoy peace and Southeast Asia and the Asia-Pacific region can enjoy stability and security.

After learning of this fascist measure, the king asked the PDK to leave to prevent the two-headed government from making trouble. At the same time, the king also told the two-headed government not to do anything affecting the DK representative. If the representative were molested, there would be great trouble. In view of this situation, the PDK decided to pull out of Phnom Penh.

V. The problem is this: What was the goal behind the communist Vietnamese aggressors and their puppets closing the DK office in Phnom Penh? Our nation, people in every circle, and peace and justice-loving countries around the world have seen their goal and clearly realize the following:

1. The goal of the communist Vietnamese aggressors and their puppets and lackeys is to continue fueling the war to kill the Cambodian nation, people, and the DK. This is why, on the one hand, they have dispatched men to seek aid—particularly weapons—from foreign countries, while on the other hand they destroyed the roundtable meeting by refusing to discuss national reconciliation. Our entire nation and people can clearly see this with their own eyes. Increasing numbers of foreign observers have also realized that the State of Cambodia has become a two-headed government since the UNTAC [UN Transitional Authority in Cambodia] election. This is just on the outside, however. In essence, the two-headed government remains the state authority of the communist Vietnamese puppets—90 percent in Phnom Penh and 100 percent in the provinces.

2. In fueling their war of aggression in Cambodia—using Cambodian traitors to kill nationalist Cambodians—the communist Vietnamese have no hope of destroying the DK militarily. They have had bitter personal experiences, both in the full-scale war of aggression using their

own army from 1979 to 1991, and thereafter. Despite this, the communist Vietnamese continue to fuel their war of aggression through their puppets in the two-headed government so they can continue to bring in Vietnamese nationals to annex Cambodia in a demographic war.

The strategy of the communist Vietnamese aggressors poses a great danger to the survival of the nation and people. Faced with this immense and immediate danger, the PDK—like other nationalist Cambodians—has a high sense of responsibility and duty regarding the survival of the Cambodian nation and race. It cannot avoid this responsibility. Now, as in the future and in the past, the DK absolutely remains with the nation and people, sharing weal and woe.

3. Apart from the goal of killing the nation, the people, and the DK, do the communist Vietnamese have any other goals in ordering their puppet and lackey troops and police to enact this fascist measure to close the DK office in Phnom Penh?

The answer to this question is very clear; there is no doubt about it. The goal of the communist Vietnamese is to cut off contact between the DK and the other Cambodian sides completely. Once they have done this, the communist Vietnamese and their puppets can do whatever they want with those who are already in their cage. This is the dark goal of the communist Vietnamese and their puppets and lackeys in adopting the fascist measure to close the DK office in Phnom Penh.

VI. Another question that arises is this: Can the communist Vietnamese and their puppets and lackeys do anything they want at will? The answer to this question is also clear; there is no doubt about it. The communist Vietnamese and their puppets and lackeys cannot do anything at will. The national conflict caused by the communist Vietnamese aggressors through the Communist Party of Vietnam—which also controls the so-called Cambodian People's Party, the state authority, and over 4 million Vietnamese—is already very acute. There is also the social conflict resulting from the communist Vietnamese aggressors' controlling and plundering the economy of the two-headed government—from paddy, rice, corn, beans, rubber, fish, timber, and so on, to other resources. On top of this, the Vietnamese nationals who have been flowing into Cambodia—there are more than 4 millions of them now—have also been robbing the country. The ringleaders of the communist Vietnamese puppets are also robbing the country. The two-headed government is doing the same thing. This has deprived people in the rural areas of their farm land and workers and students in the cities of jobs. Officials, teachers, and even soldiers are being deprived of their salaries.

The 15-year communist Vietnamese war of aggression continues to rage and destroy the country. Theft and robbery, insecurity, prostitution, AIDS, and all kinds of social ills are spreading. All of these conflicts are piling onto other conflicts and are near the explosion point.

The communist Vietnamese and their puppets and lackeys are solving this complex situation by fueling the war with one hand in an attempt to destroy the DK, which is the backbone of the resistance of the entire Cambodian nation and people in defending the nation. With the other hand, they are using fascist measures to arrest and kill the people and the masses in Phnom Penh and various provincial towns who are unable to take it any longer and have risen to fight back.

Can the communist Vietnamese and their puppets and lackeys solve this? Certainly not; on the contrary, the more the communist Vietnamese puppets and the two-headed government fuel the war, the more fascist they become and the more they oppose national reconciliation. In turn, the nation and people will oppose and denounce them more and more. The forces of national reconciliation will arise and become more agitated and active in their struggle.

VII. On this occasion, the PDK would like to once again affirm its stance as follows:

1. In a situation where the communist Vietnamese and their puppets and lackeys, bad elements in the Western alliance, and the two-headed government continue to fuel the war to kill the nation, the people, and the DK, the latter has every right to join the nation and people to struggle in every form to defend themselves.

2. The DK, like the entire nation and people, very much needs and wants peace and national reconciliation. In the past, present, and future, and under all circumstances, the DK will continue to stand firm and unshakable on national reconciliation.

3. The DK wants continued roundtable talks and discussions to search for national reconciliation based on the two items on the agenda as already agreed. This is a billion times better than fueling the war.

Long live the mighty national reconciliation forces!

[Dated] Cambodia, 21 June 1994

[Signed] PDK Chairman Khieu Samphan

PDK Team Affirms Desire for Peace

BK1706131294 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 16 Jun 94

["Clarification by the Party of Democratic Kampuchea Delegation Attending the Roundtable Commission Meeting"; dated 15 June—read by announcer]

[Text] 15 June 1994

I. On 27 May 1994 at the roundtable meeting of Cambodian leaders in Pyongyang under the lofty chairmanship of His Majesty King Norodom Sihanouk, His Excellency [H.E.] Khieu Samphan, on behalf of the Party of Democratic Kampuchea [PDK], suggested that the

meeting discuss and agree upon a minimal policy program to be used as a political basis for national reconciliation.

In this spirit H.E. Khieu Samphan said in parts seven and nine of his address:

To achieve genuine national reconciliation and to rally national forces in accordance with the will of our nation and people, all of us should compromise and make mutual concessions. This is the issue to be discussed now and later on. As His Majesty the King has repeatedly stated: How should the PDK be included into a national government and into a national army, which includes all Cambodian sides? Furthermore, in a situation in which there is a national government and a national army including all Cambodian sides, how should the PDK hand over zones under its control to the national government and merge its troops with the national army?

To solve these problems, we should set up a minimal policy program that all of us agree upon in order to establish a national government and a national army that includes all sides. We should have such a minimal policy program so that all of us can stand on a concrete basis of consensus while we are working on national reconciliation and also later when the national government and the national army start doing their work.

II. The PDK holds that there should be a minimal policy program agreed upon and set up by all parties to be used as a necessary basis on which all national forces can rally and cooperate. Without a minimal policy program agreed upon and accepted by everyone as a basis for all, all sides will continue in their respective political directions, which are different or even contradictory. This way, national reconciliation cannot be achieved. Experiences from ancient and modern history, at home and abroad, have clearly testified to this. Even experiences following the September 1993 election are already clear enough.

III. It is obvious that this minimal policy program should be set up in accordance with the essence and spirit of the joint communique of the roundtable meeting in Pyongyang on 28 May 1994, part two, which says:

The roundtable meeting unanimously agreed on its constant loyalty to, support and defense of a unified Cambodia without partition of territory, without secession, and with its territorial integrity, with the land and maritime borders and waters that the international community recognized and respected between 1963 and 1969, and with respect for Cambodia's ideals of peace, solidarity, national union, independence, and progress.

The essence of articles 2 and 52 of the Constitution is also clear. Article 2 says:

The territorial integrity of the Kingdom of Cambodia can in no way be violated within its borders as set out in

1:100,000 maps made between 1933 and 1953, and which were internationally recognized between 1963 and 1969.

Article 52 says: The Royal Government of Cambodia pledges to defend the independence, sovereignty, and territorial integrity of the Kingdom of Cambodia and to implement a policy of national reconciliation to defend national union and preserve the nation's good traditions and customs. The Royal Government of Cambodia shall defend its legitimacy and ensure public order and security. The state gives priority to the living standards and well being of its citizens.

The essence of the king's address on 31 October 1993 is clear. The magic medicine to cure our Cambodia's serious sickness is nothing else but national reconciliation, national union, an awakening, and the resolution of all nationalists to achieve the sacred national union, the way our nation did in the Angkor era, and more recently during the royal crusade for Cambodia's full independence in 1952-1953.

The aspiration of the entire Cambodian nation and people is national reconciliation and peace. This is the political essence that should be taken into account in setting up a minimal policy program.

IV. How the details of the minimal policy program should be worked out is up to all sides to discuss. This minimal policy program, once agreed upon by everyone, must be strictly observed by all Cambodian sides. Foreigners too have to abide by this minimal policy program.

As H.E. Khieu Samphan has pointed out in his address at the 27 May 1994 roundtable talks, for decades the succession of problems affecting Cambodia were not created by Cambodians. These problems were the result of direct foreign interference and aggression. People are aware of the disastrous consequences. Although these are the roots of the Cambodian problem, as long as Cambodians do their best they will be able to solve the problem. Such action is a response to the request and profound aspiration of the entire Cambodian nation and people, who want to see unity among all national forces—forces that are genuinely reconciled and united without any political discrimination whatsoever.

V. The PDK proposal for all Cambodians sides to agree with one another on a minimal policy program in line with the above spirit reflects the PDK's responsible spirit and its sincere desire to achieve genuine and lasting national reconciliation in accordance with the profound aspiration of our nation and people so that we have peace and live normally and have a chance to quickly rebuild Cambodia.

The PDK is striving to work to achieve national reconciliation so that there are enough national forces working together to continue solve the nation's problems, both large and small. This is in order for our Cambodia to gradually move toward peace, independence, national

union, sovereignty, and territorial integrity. The PDK has no other objectives than these.

Paper Reports KR Military Activities

*BK1906072494 Phnom Penh REAKSMEI
KAMPUCHEA in Cambodian 18 Jun 94 p 15*

[Text] It has been reported from Preah Vihear Province that over the past few days Khmer Rouge [KR] troops have put more pressure on Kulen District, one of the districts in Preah Vihear Province.

The Khmer Rouge launched two separate attacks against Tbeng 2 commune in Kulen District on 13 and 15 June.

In the 13 June attack the Khmer Rouge used between 500 and 600 soldiers to occupy Kdak village in Tbeng 2 commune. On 15 June between 100 and 150 Khmer Rouge troops attacked and controlled three villages of the same commune, including Sralai, Chamkaong, and Chhuk villages.

The same source added that Tbeng 2 commune has been taken and occupied by the Khmer Rouge. The royal government forces, in the form of local police force, have all retreated. Casualties and damage to property in the attacks is not known.

It should be noted that the Khmer Royal Armed Forces unit stationed in this area is Division 19. It is also known that the Khmer Rouge troops operating in the area include Division 612 and 616.

Column Urges King To Abide by Constitution

*BK2206101594 Phnom Penh KAOH SANTEPHEAP in
Cambodian 20-21 Jun 94 p 1*

[From the "A Corner of Society" column: "Being Wavering, One Cannot Be King!"]

[Text] First Prime Minister Prince Krompreah Norodom Ranariddh and Second Prime Minister Samdech Hun Sen are the leaders to whom the people throughout the Kingdom of Cambodia have given their unconditional trust in taking care of their survival.

The people do not want any other people to become prime minister or deputy prime minister. Those people will be able to do so only after they stage a successful coup.

The people are confident that only these two prime ministers are able to prevent the return of the genocidal regime because they know the true nature of the Khmer Rouge much better than the Khmer Rouge themselves.

As for His Majesty the King, we would like him to abide by the nation's Constitution because deviating from it will only bring trouble. The Constitution does not allow Your Majesty to hold power. So, please just sit still. As king, you should not waver.

KAOH SANTEPHEAP is still unconditionally sincere to the King and the Royal Government.

But please stop negotiating with the Khmer Rouge. They are vanishing, are they not?

Seven Bridges Destroyed in Siem Reap

BK2206040094 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 21 Jun 94

[Excerpt] On the night of 20 June, the people joined the National Army of Democratic Kampuchea in an attack to sweep the forces of the communist Vietnam's puppets along Route 6 from Thnal Keng to the border of Stoung District in Kompong Thom Province. Seven bridges, each measuring between 10 and 15 meters, were destroyed:

1. Spean Krapoe,
2. Spean P Thom,
3. Spean Chak,
4. Spean Se Moan,
5. Spean Boeng Tramaong,
6. Spean (Hach), and
7. Spean Ta Ong

[Passage omitted on transport problem caused by destruction of bridges]

38 Villages in Siem Reap Said Liberated

BK2206040394 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 21 Jun 94

[Excerpt] On 20 June, the people and the National Army of Democratic Kampuchea joined together to attack and liberate five communes in Puok District, Siem Reap Province: Prei (Pruoch), Cha Chhuk, (Phnel), (Trangal), and Samsep, which include 38 villages. Thousands of families were liberated.

[Passage omitted saying people are happy at being liberated]

National Bank To Scrutinize Commercial Bank

BK1906104794 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 18 Jun 94 p 4

[Summary] Nuon Sam-ean, deputy chief of the Bank Control Department of the National Bank of Cambodia, says that private banks have brought in around \$150 million to contribute to Cambodia's rehabilitation. However, some banks have not been conducting their business according to the rules. They are only declaring their investment capital, which remains outside the country, and lending customers' savings as loans to get interest. This will no longer be allowed as the National Bank plans to introduce four measures to strengthen commercial banks' legal operations. In early June there are about 30 private banks operating in Phnom Penh.

The four measures are as follows:

1. Private banks are required to deposit 5 percent of their investment capital with the National Bank.
2. Each commercial bank's expenditure on immovable property, such as land for buildings and furniture, should not be more than 30 percent of its investment capital.
3. Each commercial bank should deposit 5 percent of its savings with the National Bank to prevent commercial banks from using the excuse of not having money when customers want their savings back.
4. Loans to individuals or to groups should not exceed 10 percent of the bank's investment capital and should not exceed 20 percent of the borrower's assets.

A commercial bank that refuses to implement the four measures will not be closed but will have some of its activities curtailed.

Paper Reports Increased Textile Investment

BK1906104494 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 18 Jun 94 p 4

[Summary] An official at the Ministry of Industry, Mines, and Energy, has disclosed that by mid-June nearly 10 garment-producing factories, among those that have submitted applications to do business, have started their operations. Companies investing in other sectors have not yet begun their operations.

According to the official, the reason for the garment factories' early start in operations is connected to the fact the Cambodia has been granted GSP [Generalised System of Preferences] and MFN [Most Favored Nation] status by 26 countries in February and March. The countries most involved in this garment manufacturing sector are the PRC, Taiwan, and Hong Kong. Some of these countries have already set up factories, such as the case of Supreme Garment, June Textiles, Gold Kam-vimex, and MSV International. The products of these factories are for export and include men's and women's clothing, sports garments, and winter clothing. Their markets include Britain, France, Denmark, Holland, Germany, and Austria.

The official also says that once Cambodia has been officially granted GSP status by the United States, it is expected that more companies from Taiwan and Hong Kong will set up garment and shoe factories. However, what holds these companies back is the fact that two or three years have already passed and Cambodia still does not have an investment law.

Indonesia

Ties With US Defense Department 'Excellent'

BK2206035694 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 22 Jun 94

[Text] Relations between the Indonesian Defense and Security Department and the U.S. Defense Department

continue to be excellent even though the education and training program for Indonesian military officers conducted by the U.S. Defense Department has been stopped. Navy Commodore Yuswaji, chief of the Defense and Security Department's Public Relations and Foreign Relations Bureau, said this to reporters in Jakarta yesterday.

Yuswaji said in fact only a small number of U.S. Congressmen had wanted to stop the training program. He added that it does not mean the Defense and Security Department and the Indonesian Armed Forces headquarters will automatically send their officers to Australia, which has close ties in military training programs with Indonesia, though there are several education and training academies there.

Cambodia's Ranariddh, Hun Sen End Visit

BK2206060194 Jakarta Radio Republik Indonesia Network in Indonesian 0500 GMT 22 Jun 94

[Text] The president and Mrs. Suharto sent off Cambodian state guests Prince Norodom Ranariddh and Hun Sen at the Merdeka Palace at 0950 West Indonesian Time this morning. After the ceremony, the Cambodian visitors proceeded to Bandung, West Java, to visit the Nusantara Aviation Industries and the Asia-African Conference museum. The Cambodian visitors, who arrived in Indonesia on 20 June, are scheduled to return home today. Also present at the farewell ceremony were acting Foreign Minister Susilo Sudarman and Minister-State Secretary Murdiono.

TEMPO Reports on Minister Habibie's Remarks

BK2206100994 Jakarta TEMPO in Indonesian 11 Jun 94 p 24

[Report on a news conference by Research and Technology Minister Habibie with unidentified correspondents at Jakarta's Halim Perdanakusumah Airport on 4 June—passages within slantlines published in boldface]

[Text] **On the price of the German ships and their maintenance cost**

[Habibie] The 39 ships were originally bought at 25 million German marks. At this price, the ships were equipped with 5,000 tonnes of ammunition (including 1,550 guided missiles) and spare parts for five years. The person who held the negotiations with German authorities was Feisal Tanjung, chief of ABRI [Indonesian Armed Forces] General Staff at that time and who is now ABRI commander. After negotiations, the price was reduced to 20 million German marks or U.S. \$12.7 million.

The ships had not been used for three years. Just like a car which is parked in the garage for a long time, the ships first must be serviced before being used. Their seaworthiness must be checked for long-distance voyages and this requires expenditures. Well, we did not know

the exact condition of the ships because we had neither seen the ships nor made any payment.

We looked at the deal only at the macro level, namely with the purchase of the ships; we need more ports. From [Indonesia's most western point] Sabang to [Indonesia's most eastern point] Merauke, there are 26 ports which the Indonesian Navy says need upgrading, but no funds have ever been allocated.

Now the minimum amount we need is U.S. \$482,355,422 and this figure includes 5,000 tonnes of ammunition, 1,550 guided missiles, and other ammunition.

On the importance of the ships

[Habibie] The Indonesian Navy has 82 ships, 42 of which are more than 40 years old and ready to be withdrawn from service. Therefore, I called on then Finance Minister Sumarlin to allocate funds for our navy. Earlier, I thought the ceiling for our allocation was U.S. \$3.5 million, but we managed to raise it to U.S. \$12.7 million. We can use the ships for about 20 years. As we were able to reduce their price, we were granted one-third of the allocation ceiling. Now with the allocated funds at U.S.\$1.1 billion, the amount will also include the construction of facilities for the ships.

We then visited Germany and tried to adjust our needs to the available budget. It turned out we had to reduce our budget. Therefore, we decided to pay special attention to the ships and construction of ports. However, as the ships were not used for some time, they had to be examined first before embarking on the long voyage to Indonesia. Navigation equipment using satellite technology also had to be installed. As the climate in Germany is always cold, the ships do not require air conditioning and they instead required heating systems. This is something different from our country where air conditioning systems are badly needed.

Indeed there are many things that need improvement, but as a combat unit, the ships have a considerable amount of power capable of keeping the old West German Navy at bay.

Reasons for not purchasing new ships

[Habibie] The price of each new ship may reach U.S. \$200 million and this does not include ammunition. We are not so stupid to increase our budget for nothing. It is noteworthy that a neighboring country also wants to buy those ships even though that country does not need them badly. Besides, if we were late in buying them, the Germans might as well sell them to us at a higher price.

On Habibie's conflict with Finance Minister Mar'ie Muhammad

[Habibie] We have confirmed the purchase of the ships and I dared not make the decision to buy them if there was no approval issued by the president, who is the mandate holder of the People's Consultative Assembly.

Actually, I knew nothing about the ships and my duty was to complete the deal. At that time, suddenly we had two obstacles, namely we had to obtain approval from the UN Security Council and NATO. The idea was that the purchase should not lead to regional tension, but I managed to convince them that if the ships belong to Indonesia, they will instead benefit the region because they will safeguard the region's stability and national development. The fact that I managed to convince them was unusual because the Dili incident had just broken out at that time.

On the condition of the 29 ships

[Habibie] They are all fine. If you want to test them, you can do it by computer. Or if you want to have a simulated crash, the cost, of course, will be very high. However, the recent accident [in Bay of Biscay] is good proof that the ships' design is excellent. If it was poorly designed, it would have sunk in less than five minutes.

I want to remind you that three LSTs [landing ship tank] have arrived in Indonesia. One of them also had one of its front doors open during bad weather, but it was shut again.

Reportage on Banning of Publications

BK2106154894 Jakarta Radio Republik Indonesia Network in Indonesian 1500 GMT 21 Jun 94

[Text] Subrata, director general of press development and graphics, told newsmen in Jakarta this afternoon that the government has decided to withdraw the publication permits of two magazines—TEMPO and EDITOR—and a tabloid paper, DETIK.

He said the government arrived at this decision after listening to advice from the Press Council. He also said that the publications had been repeatedly reminded about their contents, but the government's directives went unheeded.

According to Subrata, the publications' operational licenses were withdrawn because of two categories of cases—an administrative reason and the content of news reports. EDITOR magazine was banned due to an administrative reason under the Information Minister's Decision Letter No. 124/1994 and DETIK tabloid was banned under the Information Minister's Decision Letter No. 125/1994. TEMPO magazine was banned for its news reports under Information Minister's Decision Letter No. 123/1994.

The three Minister of Information's Decision letters banning the publications are effective as of today, 21 June 1994.

Details Reported

BK2106155794 Hong Kong AFP in English 1205 GMT 21 Jun 94

[Text] Jakarta, June 21 (AFP)—The Indonesian Government on Tuesday banned three weekly publications, including the country's biggest-selling magazine, shortly after they had run articles sharply critical of a close associate of President Suharto.

The director-general of the ministry of information, Subrata, told a press conference that the authorities were withdrawing the publishing licences of TEMPO, EDITOR and DETIK.

Subrata, who is in charge of press and the graphic industries, accused them of flouting official "warnings." He said there were administrative reasons for barring EDITOR and DETIK, while in the case of TEMPO, the licence was withdrawn because of editorial content.

All three publications had recently published articles attacking the research and technology minister, Bacharuddin Jusuf Habibie, a close ally of Indonesian President Suharto.

The last magazine to be banned was MONITOR in 1990, for having published a popularity survey that placed the Prophet Muhammad in 11th place, a rank that outraged many Indonesian Muslims.

TEMPO, the country's largest-circulation magazine, as well as the newer DETIK, a tabloid newspaper, had recently reported on a rift between Habibie on one hand and the armed forces and Finance Ministry on the other, over the purchase of 39 former East German warships.

On June 2, EDITOR had published a front-page piece on plans to set up a group establishing former members of the student nationalist movement in the 1960s, which would have rivalled Habibie's Association of Muslim Intellectuals.

It quoted another government member, Siswono Yudohusodo, a former student leader who is now minister of transmigration, as saying Habibie's group was guilty of "manoeuvring." The minister of transmigration has responsibility for internal population movement in Indonesia, from crowded to remote areas.

TEMPO, a news magazine launched in the 1970s, has a circulation of 180,000, while EDITOR, also a news magazine, founded in 1987 has 30,000. DETIK was launched in 1992, using a defunct title, and has a sale of 400,000.

Subrata said DETIK had diverged from the remit of its publishing licence, which restricted it to reporting on crime and social stories. Its reporting on political matters amounted to a violation of these parameters, he said.

A DETIK journalist, reached by telephone, said that this was merely a technical pretext to bar the publications.

In the case of EDITOR, the publisher did not exercise full editorial control over the magazine, which was also an administrative violation, he said.

In the case of TEMPO, he said, without elaborating, that the ban was because of editorial content.

President Suharto had already threatened, at a naval review on June 9, to take action against newspapers that targeted Habibie.

He accused the media of having generated "an atmosphere of suspicion that harms stability" and declared: "We cannot let (the press) carry on like this. If they are deaf to warnings, then we will take steps against them."

Indonesia's biggest daily seller, KOMPAS, reported on June 13 that Information Minister Harmoko—another close friend of Suharto's and president of the official party, Golkar—had drawn up "severe measures" against what was considered to be a media campaign against Habibie.

The official news agency ANTARA reported Tuesday that Harmoko complained last week that "several publications ... have been failing to uphold journalistic ethics."

Action Urged Against Government

BK2106164494 Hong Kong AFP in English 1637 GMT 21 Jun 94

[Text] Jakarta, June 21 (AFP)—Human rights activists Tuesday called on western powers to take action against President Suharto's government for banning three publications.

The weeklies TEMPO, EDITOR and DETIK were banned after running articles sharply critical of a close associate of Suharto.

Indonesian Legal Aid Foundation chairman Adnan Buyung Nasution said, "I would say (US) President Bill Clinton should say something and drop his plans to come to Indonesia" in November for the Asia Pacific Economic Cooperation forum meet.

Saying he was "very angry" and calling the action an "abuse of power" he also said Australian Prime Minister Paul Keating should call off his visit next week.

Keating is due to arrive for the biggest Australian promotion ever in Jakarta called "Australia Today."

"I hope he (Keating) also understands the feelings of the people here and announces that he will not come to Indonesia," he said.

Political Sciences professor Arief Budiman said he hoped that Indonesia's main creditors would let Jakarta know how they felt.

"I hope there will be an intervention from abroad," he told AFP.

The Consultative Group on Indonesia, chaired by the World Bank, is due to hold its annual meeting on financial aid to Indonesia July 7-8 in Paris.

By far the largest donation comes from Japan, followed by France and the United States.

Students, Journalists Protest

BK2206083994 Hong Kong AFP in English 0819 GMT 22 Jun 94

[Text] JAKARTA, June 22 (AFP)—Indonesian students and journalists demonstrated here Wednesday against the banning of three weekly newspapers, while even a military spokesman distanced himself from the government move.

More than 200 students and journalists staged a noisy protest in front of the information ministry, saying the government ban had "killed" democracy in the country.

One march involving around 150 people went to the ministry from the offices of the Legal Aid Institute (LBH), a human rights group. Scores of others went from the premises of the weekly DETIK tabloid, one of the publications banned.

Security officials confiscated banners critical of Information Minister Harmoko, but took several journalists, student and human rights representatives into the ministry. LBH chairman Adnan Buying was among them.

After failing to meet ministry officials, the demonstrators promised to return on Thursday with a bigger rally behind them.

The government announced Tuesday that publishing licences for DETIK, EDITOR and TEMPO, the country's biggest selling newspaper, had been withdrawn. The authorities quoted administrative reasons for the ban on EDITOR and DETIK. TEMPO was banned because of its editorial content, an information ministry official said.

But all three publications had written articles critical of research and technology ministry Bacharuddin Jusuf Habibie, an ally of President Suharto.

A military spokesman, meanwhile, said the ban should not have happened, a press report said.

"I am close to the press and of course I do not want this situation to occur," the SUARA PEMBARUAN daily quoted military spokesman Brigadier General Syarwan Hamid as saying. "I hope the press can learn a lesson from it."

Syarwan said he was concerned at the ban and added that the information ministry should have considered the move carefully before acting.

He said the government wanted to develop openness, but that the press had to use the opportunity positively.

"Don't let the openness create a bad situation and tragedy. That is not, of course, what we want," he said.

Eros Jarot, chief editor of DETIK, and his counterpart from Tempo, Gunawan Muhamad, met Wednesday and later appeared among the students with calls to remain calm.

Jarot said however the country was entering a "clouded" era because of the government move. Jarot called on the government to make clear the motives behind the ban.

Petitions distributed by journalists during the protests said the ban breached constitutional guarantees of freedom of expression.

TEMPO and DETIK have recently reported on a rift between Habibie and the armed forces and finance ministry over the purchase of 39 former East German ships.

Editor this month published a cover story on plans to set up a nationalist student movement, led by Transmigration Minister Siswono Yudohusodo, to rival Habibie's Indonesian Moslems Intellectual Association.

Dailies Comment

BK2206102294 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 22 Jun 94

[From the press review]

[Text] In its editorial today, PELITA discusses the revocation of the publication permits for three weekly publications, namely, TEMPO, EDITOR, and DETIK. The daily says our rational thinking can accept the explanation given by Subrata, director general of press development and graphics, who spoke on behalf of the government yesterday. In this connection, PELITA wonders what the Indonesian press should do next in the current second long-term development plan. The answer is we should take the incident as a lesson as human beings who believe in the almighty God. We should increase our sense of national responsibility as loyal citizens of this republic who respect the laws, Constitution, and democracy based on the Pancasila ideology and the 1945 Constituency. In this case, the Indonesian press, which has a positive role in maximizing and distributing the benefits of development, should be able to consolidate national unity and integrity to enhance the quality of democracy.

REPUBLIKA wonders why the unwanted incident, even as Information Minister Harmoko earlier issued several warnings, should have inevitably taken place. The Indonesian press is now enjoying an atmosphere of openness praised by many people inside and outside the country.

Screening of Communist Links Under Review

BK2106135694 Jakarta THE JAKARTA POST in English 10 Jun 94 p 2

[Text] Jakarta JP—Minister of Justice Utoyo Usman said the government is thinking about loosening screening procedures to detect past communist links for those applying for jobs in the administration and other strategic positions.

Utoyo said the government is currently reviewing the policy, but stressed that certain sectors, such as the Armed Forces (ABRI), will continue with the procedure.

The screening process, which is also used in the civil service, has been widely criticized as a human rights violation. This is because it virtually closes the doors on people applying for administration jobs who were directly or even distantly related to members of the now outlawed Indonesian Communist Party (PKI).

Other professions in which people must be screened include journalism and teaching. Candidates for the House of Representatives must also undergo the screening.

The screening was often stretched to the point that even the grand children of a former PKI or a son-in-law are screened out.

Two senior legal experts, Justice Bismar Siregar and Muladi, again raised the point that the country should do away with the screening. They said, in a seminar on Wednesday, that the government should pay more attention to the many victims of the policy.

Chief Justice Purwoto Gandasubrata, however, said that the screening process should still be used in the interest of state security and public order "so long as it does not violate people's basic rights."

Philippines

China Advises Cautions in Plan for Arms

BK2206022994 Manila BUSINESS WORLD in English 20 Jun 94 p 16

[Text] China has cautioned the Philippines to go slowly on its proposal for an arms registry in Southeast Asia because it might raise "suspensions" among the countries concerned and depict an arms race in the region, Foreign Affairs Undersecretary Rodolfo Severino said over the weekend.

"They (China) said we should not be in a great hurry to push for this (arms registry) proposal because ... to push too hard might itself raise suspicions," Mr. Severino said after China's foreign ministry officials met with their local counterparts for the annual Philippines-China bilateral consultations in Manila last Thursday.

Manila called for the establishment of an arms registry in the region during a senior officials meeting among member-states of the Association of Southeast Asian Nations (ASEAN) in Bangkok recently to ensure transparency of military armaments, particularly on imports, exports, enhancement and weapons expenditures.

Mr. Severino said Beijing has agreed, however, to an ASEAN proposal to have Brunei collect various proposals on the framework and mechanism of a regional arms registry.

"What was agreed upon was to look at several proposals (for an arms registry) and then study it even further. But we told them (Beijing) we are pushing for more speed and progress on this," Mr. Severino said.

During the ASEAN senior officials meet, member-states agreed to temporarily shelve the Philippine proposal for an arms registry. Instead, the officials suggested that the United Nations model be studied further since it was only established last year.

The Philippine proposal goes beyond the scope of the UN model and includes transparency on the production of indigenous military weapons as well as expenditures.

Despite having a different perspective on the Philippine proposal Beijing has nonetheless supported Manila's call to have the arms registry issue tackled during next month's ASEAN Regional Forum (ARF) in Bangkok.

The ARF will bring together the foreign ministers of the six ASEAN countries (Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand) along with its seven dialogue partners (Australia, Canada, the European Union, Japan, South Korea, New Zealand, and the United States) to tackle growing security concerns in the Asia Pacific.

It will also have China, Russia, Vietnam, Laos and Papua New Guinea in the discussion table.

Government, NDF Form Working Committees

BK2206093394 Manila PHILIPPINE DAILY INQUIRER in English 18 Jun 94 pp 1, 8

[By Lynda T. Jumilla]

[Text] The government and the National Democratic Front [NDF] have agreed to form four "working committees" that will lay the groundwork for formal peace talks between the two parties. Howard Dee, chief government negotiator with the communists, yesterday said the committees will cover human rights, socio-economic reforms, political and constitutional reforms, and cease-fire and disposition of forces.

Interviewed in Malacanang [presidential office], Dee said the creation of the committees was one of the two agreements forged between government and NDF representatives during their 10-14 June meeting in Breukelen,

The Netherlands. The other agreement was to get the peace process moving, after having been stalled for several months.

"In our next meeting before the end of the quarter—we have not yet decided the exact site (in Belgium, The Netherlands, and Luxembourg) and date—we will proceed to operationalize these working committees," Dee said.

Both the government and the NDF will designate their respective representatives to the committees, who will then meet with their counterparts from the other side to discuss the issue assigned to them.

During the meeting in the Benelux territories, the two sides are also expected to set the venue and date for the formal talks.

Meanwhile, Dee said the government will keep its options open in regard to talking peace with breakaway communist factions.

This, despite the NDF's warning that the government would be violating the joint declaration signed in Hague, The Netherlands in September 1992, should it decide to negotiate with other groups.

"The government position is, it is the government's prerogative to address all those who want to have peace with the government because the government wants to make peace with everyone," Dee said.

But he said there was no decision yet to talk with other groups as the government has yet to formulate a policy on the matter.

Dee and acting presidential peace adviser Manuel Yan will meet shortly to discuss policy recommendations on holding talks with other groups, he said.

So far, the only other communist faction that may seek to negotiate with the government is the breakaway Manila-Rizal Regional Committee [MRRC] headed by Filemon Lagman. The MRRC is the mother unit of the urban hit squad Alex Boncayao Brigade. Dee explained that the peace panel deals only with organizations with armed units, and these exclude mere political groupings such as those headed by other breakaway leaders as Ricardo Reyes and Romulo Kintanar.

"The decision (to open talks with other factions, as in the case of Lagman) should be made at a higher level because the case of Lagman is complex," he said.

In the case of Lagman, Dee added, the government would have to find out what group he represents.

As this developed, former NDF chief negotiator Satur Ocampo said the NDF was likely to insist on holding formal talks abroad despite the government's shifting-venue policy.

The NDF's position remains that holding the talks outside the Philippines would minimize the risks of its negotiators and staff being put under surveillance or arrest, he said.

PRC Trade Seen To Rise With Consulates

BK2206032094 Manila THE MANILA CHRONICLE
in English 19 Jun 94 p 10

[Text] Speaker Jose De Venecia yesterday expressed predicted increased trade between the Philippines and the People's Republic of China following an agreement to establish consulates in both countries. [sentence as published]

The Chinese government agreed to set up a consulate in Cebu and for the Philippines to set up its own consulate in Xiamen City during a visit to Beijing by Filipino legislators led by De Venecia.

De Venecia said the Philippines would be the first country to be allowed to set up a consulate in the southern part of China since 14 consulates were closed down in 1949 during the takeover of the Communist Party.

De Venecia, together with Rep. Antonio Cuenco, Victor Ortega and Roque Ablan, held talks with President Jiang Zemin, Speaker Qiao Chi and Vice Premier and Foreign Minister Qian Qichen and leaders from the Inner Mongolia, Shanghai and Xiamen.

"We expect tens of thousands of mainland Chinese tourist to come to the Philippines because of the improving standard of living in southern China resulting from the area's annual growth of 20 to 30 percent—which is the highest in the world," de Venecia said.

Board Lifts Repayment, Repatriation Limits

BK2206045894 Manila BUSINESS WORLD in English
20 Jun 94 pp 1, 6

[Text] In yet another confidence-building pitch for foreign investments, the Monetary Board (MB) last Friday approved the complete lifting of existing restrictions on repayment and repatriation of foreign investments financed by transactions using the debt-to-equity scheme.

In a press statement, Bangko Sentral [Central Bank] Governor Gabriel C. Singson said the move "marks another important step in foreign exchange liberalization."

Considered the most successful mode of easing the country's debt burden, the debt-to-equity program has historically accounted for about 30 percent of the total external debt which has undergone restructuring. Debt converted under the program reached \$1.87 billion out of the total \$6.382 billion recorded from 1986 to 1993, the Bangko Sentral's 1993 annual report shows.

The debt-to-equity program was launched in 1985 as a mechanism to reduce the country's external debt and to encourage the entry of the then elusive foreign investments. Under the program, investors are allowed to buy Philippine debt papers, redeem these at a higher price and invest the proceeds in eligible projects.

The investor gains from the spread between the redemption price at which he sells the paper to the Bangko Sentral and the price at which he buys it from the secondary market.

The program also augurs well for the Bangko Sentral as it is able to retire its debt at deep discounts. The mechanism was revised in 1990 particularly to retire the then Central Bank's \$900-million outstanding obligations to foreign banks over a three-year period which ended last year.

The MB decided to defer the program in September 1993 due to low investors' interest during the eight auctions as a result of the steadily declining discounts on Philippine debt paper in the secondary market. The MB, however, resumed the program's implementation in January this year.

At present, outstanding registered foreign investments under the program amount to about \$398 million.

Prior to the liberalization, investments under the conversion program were subject to a restrictive repayment schedule. "Principal capital originally could not be repatriated except on a five-year staggered basis commencing not earlier than three or five years after the original investment was made, depending on whether it is classified as preferred or less preferred investment. For a less preferred investment, dividends were also subject to a four-year freeze period," the Bangko Sentral said.

Mr. Singson said the move was likewise aimed at easing the continuing upsurge in dollar inflows which has been buoying up the peso exchange value since the first quarter of this year.

With the dwindling amount of foreign investments utilizing the debt-to-equity approach, some bankers doubted whether the volume of dollars that will be siphoned out from the system via the scheme will be that significant.

A chief executive officer of one of the resident foreign banks in the country told BUSINESS WORLD while the move sends a positive signal to foreign investors, it remains to be seen whether others at this stage would want to sell out with the relaxation in the repayment of dividends.

"It usually takes time to find corporate buyers so the reaction time will be long," he said.

Thailand**Opposition 'Ready To Serve' if Called**

BK2206055694 Bangkok THE NATION in English 22 Jun 94 p A3

[Text] The two biggest opposition parties, Chat Thai and Chat Phatthana, have expressed guarded interest in joining a new Democrat-led coalition government in the event the current crisis facing the Chuan administration leads to a Cabinet shake-up.

Chat Thai Secretary-General Sano Thianthong said yesterday the Chat Thai Party and its opposition allies are "ready to serve" and prepared to discuss the possibility of joining the government.

Chat Phatthana Deputy Leader Kon Thappharangsi insisted yesterday that Chat Phatthana would not "go it alone" in joining the Democrat-led coalition but said his party would consider becoming part of a future government only if Prime Minister Chuan Likhpai resigned as prime minister to pave the way for the formation of a new government.

Sano said although opposition parties had not anticipated becoming part of a coalition government led by Chuan, "anything is possible" under present circumstances.

"We are prepared to serve the country. Politicians, regardless of their political affiliation, have the responsibility to serve," Sano said.

However, he said Chat Thai and other opposition parties had not been approached by the core of the present coalition government regarding a possible Cabinet shake-up to replace any existing coalition parties with opposition parties.

"Anything is possible. We only need to talk," Sano said.

It was still not clear whether Sano was speaking on behalf of the Chat Thai Party alone or was voicing a common stance of the opposition bloc which includes other major parties like Chat Phatthana and Social Action.

Chat Thai, which controls 77 seats in the House of Representatives, is the biggest party in the opposition bloc and is second only to the Democrat Party.

Senior members of Chat Phatthana which commands 60 seats in the House, have in recent weeks also expressed interest in joining the Democrat-led coalition government.

Asked about the possibility of the Democrat Party replacing its foul current coalition partners with members of the opposition bloc, Sano said the opposition parties had not been waiting to join the Chuan government.

"In fact, opposition parties have agreed not to join the coalition government under any circumstance," he said.

But asked whether the opposition parties would insist on a total Cabinet shake-up as precondition for joining the coalition, Sano said they would not make known their position until they were approached by the coalition government.

"The opposition is prepared for discussions with the coalition government. We are politicians and we don't discriminate against our colleagues because of their political affiliation," Sano said.

Asked to comment on the likelihood of a new alliance of Democrat, Chat Thai and New Aspiration in a coalition government, Sano said: "Whether such an arrangement would work out depends very much on whether the (future) coalition government could forge unity among its partners."

"I am in no position to boast about our (Chat Thai's) capability in administering the country. We have been in the government several times before. The public is the judge," Sano said.

Government Urged To End Controversy

BK2106121694

[Editorial Report] Two Bangkok dailies, NAEO NA and THAI RAT, carry editorials discussing the current political crisis initiated by Chalot Worachit's hunger strike and worsened by rallies in support of Chalot's demands, a motion proposed by Phalang Tham MP's seeking to draft a new Constitution, and the controversy over the role of the Phalang Tham Party as a partner in the coalition government.

NAEO NA of 21 June carries on page 3 a 600-word editorial entitled: "The Government Should Make it Clear." It asks the government to make uncertainties clear by telling the people what it is going to do—resign, dissolve the House of Representatives, reshuffle the cabinet, or pursue the administration without making any changes. The editorial says "The government should make clear to the public what the option is and provide reasons instead of leaving the people guessing." If it does not want to resign, dissolve the House, or reshuffle the cabinet the government must arrange for a discussion among the coalition parties in order to determine the Phalang Tham Party's role.

"If the majority wants the Phalang Tham Party to be left out, the government must then expel the party from the coalition as soon as possible in order to end the ongoing confusion. But if the government believes the Phalang Tham ministers are capable and cannot afford to lose them, the government should be bold enough to inform everyone. The current political confusion will never end unless the government acts decisively," the editorial says.

THAI RAT of 21 June carries on page 3 an 800-word editorial entitled: "Let the Parliament Settle the Controversy." It states that activists backing Chalot's cause are

entitled, under democratic freedom, to pursue the struggle to support the motion of the Phalang Tham MP's. There are others, however, who think differently. "In a democratic society, conflicts of opinion should be settled through compromise. It is impossible for a certain group to win without giving concessions. In the present situation, we think there are still several options available. Regarding the Constitution, the parliament has already set up a special committee to scrutinize proposed amendments. The committee is doing its duty now; MP's can propose whatever amendments they deem appropriate," the paper says.

Besides, the president of the parliament has formed a democracy development team comprising representatives of the people from all walks of life to plan a more democratic Constitution. This committee should be able to work with the parliamentary committee. Meanwhile, the motion of 21 Phalang Tham Party MP's could be tabled on the parliament agenda for debate. "This is the best way to achieve a compromise to solve the problem. The parliament is thus given the role of ruling on the Phalang Tham motion. Its ruling should be final," the paper says.

Cabinet Approves Budget for 1994-95

BK2206055294 Bangkok THE NATION in English 22 Jun 94 p A7

[Text] The cabinet yesterday approved a budget for 1994-95 that will see spending in the provinces rise to 58 per cent of the total Bt715 billion expenditure, up from 44 per cent in the previous year.

The budget, which will be debated by Parliament early next month, will also see a record jump in spending to improve education and health care, where the percentage of the total budget will rise from 16 to 29 per cent.

"This budget will allocate the greatest amount of money ever to the provinces," said Deputy Commerce Minister Churin Laksanawisit, a Democrat.

Finance Minister Tharin Nimmanhemmin said the budget bill is expected to go before Parliament on July 6 and is not expected to be altered much.

The cabinet approved a balanced budget of Bt715 billion, 14.4 per cent more than the previous year, when spending was geared to generate a small deficit.

The amount being allotted to the provinces in the 1995 budget will be 58 per cent of the total, or Bt150.6 billion.

This is designed to be a serious and effective means of promoting provincial development," Tharin said.

The amount aimed at solving water shortages is Bt37.2 billion; for increasing the income of farmers, Bt26.3 billion; for industrial development in the provinces, Bt4 billion; and for basic services in the provinces, Bt83.1 billion.

The second largest item in the budget is education and health care, where spending is 29 per cent of the total, up from 16 per cent in 1993-94. The education budget is Bt16 billion, while public health is Bt60.67 billion.

The third largest item is for natural resources and environmental development, accounting for eight per cent of the total, compared to four per cent the previous year. The amount is Bt19.9 billion, with the environment budget set at Bt6.7 billion.

The budget for solving traffic problems and rehabilitating Bangkok will fall to two per cent from three per cent, or Bt9 billion.

The government will spend three per cent of the budget for the development of human resources, technology and trade.

Spokesman Discusses Outlook on Economic Figures

BK2106053694 Bangkok BANGKOK POST in English 21 Jun 94 p 17

[Text] Thailand's key economic indicators signalled favourable performance during the first five months of this year, creating the impression that the country's annual economic growth target of 8 per cent can be achieved according to Government Spokesman Aphisit Wetchachiwa.

The results belie a general mood that the country's economy is not performing as well as earlier expected as the inflation figure is much higher than projected and investment has slowed.

The stock market, in particular has posted sluggish trading activity since the beginning of the year, when the SET [Stock Exchange of Thailand] Index plunged from its peak 1,700-point level to the current level of 1,350 points. The market's bearishness was partly attributed to the country's continued political paralysis.

Mr Aphisit said after the Council of Economic Ministers meeting that the overall picture of the Thai economy during the period was favourable as exports, investment and tax collection were in good shape.

Inflation was within manageable limits at 4.8 per cent, but Mr Aphisit said that by the end of this year, the annual inflation rate should not exceed the government target of 4.2 per cent.

"We are trying to control inflation and if necessary, monetary measures may be initiated to bring inflation to within 4.2 per cent for 1994. There is now a tight liquidity problem in the financial system because banks have lent much more than deposits mobilised. Apparently, investment is improving," he said.

During this period, a total of 362 projects valued at 144,635 million baht had sought promotional privileges from the Board of Investment, representing a fair

increase in terms of projects and amount of investment to be made, compared to that of the same period of the preceding year when there were 228 projects applying for such privileges.

Mr Aphisit did not give the exact figures on how much those projects would invest but said main investment was in the construction and oil business and that Japanese investment during the period doubled that of the same period in the preceding year.

Applications for setting up new factories in the provinces during January-May rose 74 percent over those in the same period last year. Again, Mr Aphisit did not give the details on the figures.

He said overall tax collection by the Government during the period rose 15.6 percent, implying that economic growth should reach the 8 percent target.

Thai exports in the first five months this year increased 21.4 percent over the same period last year reaching 421,800 million baht—accounting for 39.6 percent of the country's export target forecast at 1,065,000 million baht, according to Deputy Commerce Minister Chaiyot Sasomsap.

Mr Chaiyot, who quoted the Business Economics Department's preliminary figures, said exports in the first five months totalled 421,800 million baht, up 21.4 percent from last year's 347,567.8 million baht.

He said imports increased 10.1 percent from the same period last year to 519,600 million baht. The imports increased at a smaller rate because the country had imported crude oil instead of refined oil.

Therefore, the trade deficit in the first five months decreased by 21.3 percent to 97,800 million. The country's trade deficit in the first five months last year was 124,318 million baht.

Mr Chaiyot said agricultural exports reached 72,000 million baht, up 16.4 percent over last year, while industrial products increased 19.7 percent to 284,200 million baht.

The major markets were still the traditional ones, including the United States (up 11.8 percent), Japan (up 36.1 percent), ASEAN (up 61.2 percent), particularly Singapore.

However, exports to the European Union increased by only 3 percent due to the slow economic growth in the union, particularly in Germany.

Mr Chaiyot said Thailand had diversified its exports to other regions which have great potential, including Indochina (up 54.6 percent), the Middle East (up 8.4 percent), Eastern Europe (up 5.2 percent) and Australia (up 4.7 percent).

Garments were the largest export item valued at 36,500 million baht, up 3 percent from last year. The small

growth was attributed to problems exporting to the United States due to the delay in the extension of a bilateral agreement.

The second largest export item was computers and parts totalling 31,100 million baht, up 24.4 percent.

The third largest item was frozen shrimp totalling 19,000 million baht, up 50.9 percent over the same period last year.

For the period, Thailand exported gems and jewelry worth 18,000 million baht (up 4 percent), rice worth 16,900 million baht (up 42 percent), integrated circuits worth 16,800 million baht (up 20.7 percent), rubber worth 13,382 million baht (up 13 percent), plastic products worth 13,000 million baht (up 43.4 percent), shoes and parts worth 11,950 million baht (up 5 percent) and canned seafood worth 11,000 million baht (up 26 percent).

Mr Chaiyot said it is likely that the country's 1994 exports will be higher than the target of 1,065,000 million baht as the Government promotes exports by setting more trade centers and commercial counsellors' offices abroad.

Trade, Crossing Point to Cambodia To Reopen

*BK2006142994 Bangkok Voice of Free Asia in Thai
1030 GMT 20 Jun 94*

[Text] Sa Kaeo Governor Kasem Chaisit disclosed that his province and Cambodia's Banteay Meanchey Province have agreed to sign an accord on opening the Khlong Luk-Poipet border crossing point on 22 June. The opening will follow immediately after the signing to allow people of both countries to cross and trade as normal. Sa Kaeo Province closed the crossing point on 9 April.

According to the governor, the Cambodian Government approved the points in the accord as proposed by Sa Kaeo Province for both countries to comply. The draft accord mainly deals with operating hours, crossing procedures for people and vehicles, and types of goods which Thailand wants traders to give priority, particularly goods which Thailand wants to promote in Cambodia. Tax rates and collection procedures for goods transiting the crossing point are also set.

The governor said the opening of the crossing point will be temporary at this time. The Thai side wanted the opening to be permanent, but the Cambodian side was not ready. He said the Cambodian side assured the safety of Thai visitors in Poipet. If the situation becomes dangerous, his province can order closure for safety and national security reasons.

Plot Against Nepalese Crown Prince Denied

*BK2206072994 Bangkok BANGKOK POST in English
22 Jun 94 p 3*

[Text] A second Pakistani wanted by police for questioning in connection with the suspected plot to harm the Nepalese Crown Prince has offered to turn himself in, a Special Branch police source said yesterday.

The source said the fugitive, identified as Mohamad Javet, had telephoned the Special Branch to say he was ready to surrender.

The source said Mr Javet insisted he was innocent of any involvement in a plot against Crown Prince Dipendra bir Bikram Shah Dev.

The Nepalese Embassy in Bangkok also issued a statement last night saying the arrest of the other suspect, Shakil Ammad, had no link whatsoever with the Nepalese Crown Prince or his visit to AIT [Asian Institute of Technology]. It said the news item was "misleading".

The 22-year-old Crown Prince arrived in Thailand on Sunday to attend a four-day geography course at the Asian Institute of Technology before beginning an official visit from June 24-27.

Mr Ammad, who is currently being held in police custody, claimed he knew Mr Javet for only one day, said the police source.

He said Mr Ammad claimed he wanted to study at the AIT and his entry to the campus was aided by Mr Javet.

Special Branch commissioner Narongwit Thaithong said yesterday he had contacted the Pakistani and Nepalese embassies in Bangkok to check the background of Mr Ammad.

He said the minister counsellor at the Nepalese Embassy, Mr Pushkaraj Bhandari, met him yesterday and was present during the questioning of Mr Ammad. The minister counsellor also pledged support for the police investigation, he said.

The vice consul of the Pakistani Embassy, Riez Seqi, was also present during the questioning.

Pol Lt-Gen Narongwit said an initial report yet to be verified stated Mr Ammad's elder brother was a former student at AIT and is now working as an engineer in Pakistan.

Cabinet Agrees To Lift Arms Ban in Africa

BK2206045394 Bangkok Radio Thailand Network in English 0000 GMT 22 Jun 94

[Text] The Cabinet yesterday agreed to lift an arms embargo imposed against South Africa in accordance with the United Nations Security Council Resolution 914.

The Security Council last month adopted the resolution lifting the ban on arms and weaponry export to South Africa. It also abolished a committee on apartheid problem in South Africa.

United Nations secretary general sent a letter inviting member countries to follow the security council's decision in accordance with the law of each country.

The Cabinet approved the lifting of the ban as proposed by the Ministry of Foreign Affairs on grounds of closer cooperation between the two countries including security cooperation in the future.

Officials View Reported 'Fanatic' Activities

*BK2206101794 Bangkok SIAM RAT in Thai 22 Jun 94
p 3*

[Text] Regarding a report that the Malaysian Islamic Center has set up a fanatic center, or Al-Arqam in Bangkok, Commander of the 4th Army Region Lieutenant General Kitti Ratanachaya said the national level agency, or the Foreign Ministry, and senior officials concerned will have to investigate the report. His command, which is a local unit, does not have much information.

Malaysian Foreign Minister Abdullah Badawi said during an interview given to foreign journalists on 14 June that Thailand must be careful because the group will carry out its mission regardless of the status of relations between Thailand and Malaysia.

Speaking to journalists on 21 June, Lt. Gen. Kitti said the Malaysian minister probably made the remark out of concern about relations with Thailand. He said the Malaysian side continues to feel that relations between the two countries further have to be strengthened. For example, the Trilateral Cooperation Project will not materialize without good cooperation among the countries concerned.

According to a report from the Foreign Ministry, Deputy Foreign Minister Surin Phitsuwan has directed the Thai envoy to Kuala Lumpur to point out that Thailand allows free choice of religion and that followers of any religion carrying out religious activities within the scope of the law will be given due protection. Thailand has no intention of interfering in other countries' internal affairs, particularly in neighboring countries. Regarding the reported training of the aforementioned group in Thailand, Thailand wants evidence of such conduct and is ready to provide cooperation to deal with the matter.

Vietnam

Labour Delegation Visits Laos

BK2106141294 Hanoi VNA in English 1352 GMT 21 Jun 94

[Text] Hanoi VNA June 21—A delegation of the Hanoi Confederation of Labour led by its chairman Tran Quang Giao paid a working visit to Laos from June 16-21.

While in Laos, the Vietnamese delegation had working sessions with Mr. Bounhan Volachit, member of the Lao People's Revolutionary Party (LPRP) Central Committee, the Vientiane Municipal L.P.R.P's secretary, mayor of Laos capital and other senior officials of the Trade Union Committee of Vientiane.

The two sides informed each other of their countries' situation in their renovation process and exchanged experiences on the trade unions' activities of Hanoi and Vientiane cities. They expressed their wishes for the strengthening of the special friendship and solidarity between the two cities and two countries.

Mr. Bounhan Volachit highly appreciated the result of the Vietnamese delegation's visit to Laos and wished to strengthen the friendship and solidarity between Vientiane and Hanoi cities and the two countries.

Dao Dinh Luyen on Selective Service Law

BK1706162394 Hanoi QUAN DOI NHAN DAN in Vietnamese 30 May 94 pp 1,4

[Interview with Senior Lieutenant General Dao Dinh Luyen, member of the party Central Committee, chief of the Vietnam People's Army General Staff, and deputy to the Ninth National Assembly, by QUAN DOI NHAN DAN correspondent Mai Nam Thang; date and place not given]

[Text] [Correspondent] According to many people, our country's existing national defense law and policy are inadequate, inconsistent, and "backward" compared with the socioeconomic situation. Therefore, all echelons and sectors, especially grassroots establishments, face numerous difficulties in implementing national defense tasks. What is your opinion about this issue?

[Dao Dinh Luyen] In implementing the principle of "state control over society by means of law and constant efforts to strengthen the socialist legal system" in all domains, including national defense, in its capacity as a state organ in charge of overseeing national defense, the Ministry of National Defense has suggested that the National Assembly, the Council of State (now the National Assembly Standing Committee), and the Government review and adopt many important legal documents directly relating to national defense tasks, like the Laws on Selective Service and People's Army Officers and the Regulations on Safeguarding National Defense Projects and Military Installations. At the same time, it has coordinated with the various ministries and sectors in promulgating many interministerial and intersectorial directives to guide the implementation of the aforementioned legal documents. It can be said that those national defense-related laws and regulations have gradually been supplemented to meet the requirements of the new situation. Nonetheless, it is necessary to admit that the existing national defense law and policy are still inadequate and "backward" compared with the changes for the better in the socioeconomic situation and with the requirements of the current national defense tasks aimed

at protecting the Fatherland and socialist regime. Many legal documents were promulgated a long time ago and applied to the system of state subsidization and management by the central government and in the situation prevailing during the national salvation struggle. Given the current situation, they are no longer appropriate. This very drawback has to some extent affected the implementation of national defense tasks by the various echelons, sectors, localities, and grassroots establishments. This situation requires adequate investment to formulate laws to institutionalize national defense policies and lines in the the party's resolutions. As an immediate objective, it is necessary to resolve major issues as follows:

- Continued efforts are needed to improve and perfect the national defense budget and set local level-national defense expenditures and funds at an early date.
- Steps must be taken to formulate a policy on science and technology in support of national defense.
- Plans must be worked out to resolve the problems concerning the rear-army policy and military mobilization preparedness.

It is important to work out a well-defined management, inspection, and reward mechanism suitable to the implementation of national defense tasks at all echelons to ensure uniform application of national defense policies and lines.

[Correspondent] Is there any differences between the amendments and supplements to the Law on Selective Service this time and those in 1990? What are the basic contents and general standpoints of the amendments and supplements this time?

[Dao Dinh Luyen] The existing Law on Selective Service was adopted by the Seventh National Assembly on 30 December 1981. The Eighth National Assembly amended or supplemented a number of articles of this law on 21 December 1990. However, in view of the need to build and develop the army and consolidate national defense and security arrangements to effectively defend our Fatherland and regime, we must conduct a comprehensive study to formulate a national defense law that covers many fundamental issues relating to the building of an all-people national defense system and people's Armed Forces... The formulation of such an important legal document requires time and other laws and regulations. Given the changes for the better in all aspects of the national situation, especially in the economic field, we must amend or supplement a number of essential articles that affect most directly the implementation of citizens' selective service.

The key contents of amendments or supplements to the Law on Selective Service this time focus on three main issues as follows:

1. Defining the responsibilities of economic organizations, including private business establishments, shareholding corporations, limited partnership corporations,

joint business ventures with foreign countries... toward the implementation of the Law on Selective Service of the Vietnamese state.

2. Further clarifying the responsibilities of the local authorities and the Selective Service Council at all levels toward the implementation of the Law on Selective Service.

3. Supplementing or amending a number of systems and policies to make them consistent with the situation and help strengthen the building and development of the army.

[Correspondent] Why does the current Law on Selective Service not stipulate the obligations for youth who do not serve in the army? In fact there are a large number of youth in this category who pose a pressing problem in the annual troop induction work. What are the measures to resolve this problem to ensure social justice?

[Dao Dinh Luyen] To ensure social justice for those who serve in the army and those who do not is an essential task. However, this is a difficult and complicated problem that cannot be comprehensively and definitely resolved overnight.

For example, it is very difficult to organize production activities for youth who are not recruited for the army, especially when we still need more jobs for workers in society. Besides, the state must spend a lot of money to handle this issue. But if we decide that those who do not want to serve the army must contribute money in compensation for their military service, then we must be very careful to ensure justice in this regard.

As far as the Law on Selective Service is concerned, it is concentrated only on the policy and a mechanism aimed at improving the daily life of troops in active service, discharged soldiers, and those who are classified as a reserved force so as to ensure justice for these people. As a result, I would like to suggest that the state formulate and promulgate a regulation on appropriate contributions by youth who do not serve in the army in the cause of national defense and construction.

[Correspondent] Public opinion at present is very indignant about those who violate the Law on Selective Service (those who are dodging, ignoring the military service obligation, and deserting their units) and are not seriously dealt with by the law. Why is there still a "lenient" policy on this issue and what are the measures to resolve this problem in the days ahead?

[Dao Dinh Luyen] The Law on Selective Service stipulates various measures for punishment in this regard, while the Criminal Code also clearly defines measures to deal with law violations and punishments for violators. In reality, we have on many occasions punished and reeducated those who violated the law. However, in some cases, serious and prompt action was not taken against them. The following are some of my observations:

—The local administrations, such as village (ward) and district (precinct) administrative units and other local law enforcement agencies, must take the first serious action against those who have dodged or ignored the military service obligation. In some places and at certain times, the agencies concerned in some localities have failed to satisfactorily carry out this task. Many responsible agencies did not optimally exercise their authority to help the local administration deal with those who violate the law.

—In the army, generally speaking, military units and commanders of legal agencies in the army have promptly and severely dealt with those who violated rules and regulations. One obvious problem at present, however, is that we have failed to deal severely with those who have deserted their units. This is because we do not have a unified measure and a close coordination between the army and the local administration to carry out this task. Although we have taken a number of actions, such as imposing fines or labor punishments against the violators, these measures have not been officially defined in a uniform manner and have therefore failed to deal severely with the violators, while creating indignation among the people.

To resolve this problem, in the near future, the Ministry of National Defense will coordinate with responsible agencies to formulate regulations to deal with violators and submit them to the state for approval. The ministry will, on the other hand, cooperate more closely with the local administration and other law enforcement agencies to monitor and deal promptly and severely with those who violate the law.

[Correspondent] What policy and measures should the State and the Ministry of National Defense have to make the Law on Selective Service (after it was amended, supplemented, and approved by the National Assembly at this session) widely known by the public, firmly grasped by sectors concerned, and effectively implemented by law enforcement agencies?

[Dao Dinh Luyen] The law on Selective Service is one of the key laws of the State. A large number of people are subjected to this law while its implementation is on a nationwide-scale. Improper implementation of the law may impact on the material and spiritual life of the people and the mind and attitude of cadres and combatants. As a result, supervision of the implementation of this law must be close and careful. To seriously and effectively implement the law, proper attention should be paid to the following key tasks:

1. It is essential to improve national defense education and enhance the military service obligation awareness among the people, youth, and reserved forces in various units of the party organizations, state agencies, and mass societies so as to motivate them to enthusiastically implement and abide by the law. Efforts must be made to combine the education task with that of motivating the people to respect and abide by the state laws.

2. We must strive to uphold the responsibility of various echelons, sectors, localities, and military units in implementing the law under the unified guidance of party committees and the management of administration agencies. Efforts must be made to bring into full play the responsibility of branches, sectors, and mass organizations in this regard while upholding the staff role of military agencies in localities. Commanders of various army units must uphold their responsibility in strengthening education and training and improving the daily life of their units.

3. Efforts must be made to satisfactorily implement the army's rules and regulations; and to continue to study, review, and supplement various essential lines and policies to encourage cadres and combatants to actively build the army and the reserved force while enthusiastically improving their training and standing ready for any assignments.

More Reports on National Assembly Proceedings

Election Law Chapters Approved

BK2106131094 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 21 Jun 94

[Text] This morning the Ninth National Assembly's fifth session held a plenary meeting under the direction of National Assembly Chairman Nong Duc Manh.

Comrade Phan Ngoc Tuong, on behalf of the law drafting committee, presented a report on ideas of deputies about the revised draft law on election of people's councillors.

After listening to viewpoints of deputies, the National Assembly approved Chapter Two of the law which is composed of four articles dealing with the number of councillors, electoral units, and constituencies; Chapter Three from Articles 14 to 21 dealing with procedures on organizing people's councillors election; Chapter Four dealing with namelist of candidates; Chapter Five dealing with application, nomination, and introduction of candidates; Chapter Six from Articles 39 to 45 dealing with electoral procedures; and Chapter Seven, which is composed of 10 articles dealing with election results.

In the afternoon the National Assembly continued its work at the conference hall. After hearing more ideas from deputies, the National Assembly voted to approve eight articles in Chapter Eight dealing with procedures for the by-elections; two articles in Chapter Nine on measures to deal with violation of the election; and two articles in Chapter 10 concerning enforcement of the law.

The National Assembly also approved Chapter Two of the revised law on organization of the people's councils and people's committees, which is composed of 30 articles. Finally, the National Assembly approved the revised law on organization of the people's councils and people's committees.

Tomorrow, the National Assembly will meet in plenary session to debate and adopt the draft law on domestic investment promotion.

Communique No. 20 Issued

BK2106152694 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 21 Jun 94

[Text] The Fifth Session of the Ninth National Assembly just issued Communique No. 20 as follows:

On 21 June, the National Assembly held a plenary session in the conference hall under the direction of National Assembly Chairman Nong Duc Manh. The National Assembly debated and passed the revised draft law on election of people's council.

Fifty National Assembly deputies offered their opinions on some articles and paragraphs of the draft law. They are Tran Quoc Thoai and Trinh Hong Vuong Ha Tinh; Nguyen Duc Thang and Danh Ut of Kien Giang; Le Van Chi, Pham Ngoc Quang, Le Van Tam, Ha Dinh So, and Le Van Tu of Thanh Hoa; Dang Van Cao, Pham Hung, and Pham Nguyen Tan of Hai Hung; Bui Huu Hai of Vinh Phu; Nguyen Khoa Kim Moi and Nguyen Dinh Ngo of Thua Thien-Hue; Nguyen Khuong of Binh Thuan; Pham Van Kiet and Bui Van Hoanh of Can Tho; Ha Thi Khiat of Tuyen Quang; Le Minh Chau, Doan Le Huong, Le Khac Binh, and Vu Tuat Viet of Ho Chi Minh City; Dang Khoi and Vu Mao of Nam Ha; Nguyen Viet Dung, Nguyen Hoa Binh, Tang Van Luy, and Nguyen Van Nhan of Ha Bac; Nguyen Dinh Loc of Yen Bai; Ha Manh Tri and Hoang Dinh Quan of Thai Binh; Tran Minh Huan and Nguyen Thiet Hung of Khanh Hoa; Nguyen Thanh Phong of Dong Thap; So Lay Tang of Kon Tum; Nguyen Quoc Thuoc of Nghe An; Nguyen Van Thanh of Dong Nai; Mai Thuc Lan, Nguyen Bon; and Nguyen Thi Binh of Quang Nam-Da Nang; Vu Dinh Cu and Chu Duy Kinh of Hanoi; Truong Thi Khue of Quang Tri; Nguyen Thi Tuyet and Nguyen Van Hieu of Ha Tay; Le Duc Binh of Ninh Binh; Pham Thi Son of Ba Ria-Vung Tau; Nguyen Nhieu Coc of Hoa Binh; and Ha Dang of Phu Yen.

During the debate, Minister Phan Ngoc Tuong, chairman of the Government Organization and Personnel Commission, on behalf of the law drafting committee, further explained some issues queried by the National Assembly deputies. The National Assembly voted to pass some articles on which there were still differing views and some chapters of the draft law before passing the entire revised law on election of people's council.

Then Nguyen Van Yeu, member of the National Assembly Secretariat, on behalf of the law drafting committee, the investigation committee, and the National Assembly Secretariat read a report compiling National Assembly deputies' views on amendments to Chapter Two of the revised law on the organization of people's councils and people's committees.

After Deputies Le Duc Binh of Ninh Binh, Phan Quang of Thai Binh, Nguyen Thanh Chuong of Thanh Hoa, Ha Thai Binh of Soc Trang, Ma Dien Cu of Binh Thuan, Y Ngong Nick Dam of Dac Lac, Vo Nguyen Quang of Thua Thien-Hue, Tran Thi Le Thu of Binh Dinh, and Phan Minh Tanh of Dong Thap completed their statements, the National Assembly voted to pass Chapter Two before passing the entire text of the revised law on the organization of people's councils and people's committees.

The revised law on the organization of people's councils and people's committees and the revised law on election of people's councils that have been passed by the National Assembly are the two important laws that help to revamp in one step the organization and activity of the people's councils and people's committees at all levels. These two laws will help to further perfect the legislative system for the organization of the administration mechanism.

On 22 June, the National Assembly will work in the conference hall.

Australia

Indonesian Magazine Closure 'Disappointing'

*LD2206084594 Melbourne Radio Australia in English
0700 GMT 22 Jun 94*

[Text] The Australian government has described the closure of three Indonesian news magazines as very disappointing.

The Indonesian government yesterday banned TEMPO, the country's leading news magazine, and the popular publications DETIK and EDITOR.

Australia's foreign minister, Gareth Evans, said that the prime minister, Paul Keating, would go ahead with his visit to Indonesia next week despite a call that the trip be cancelled.

Senator Evans told parliament Mr. Keating would choose how he conveyed Australia's concerns during his talks with President Suharto and senior Indonesian ministers.

[Begin Evans recording] It must be said without qualification that this is a very disappointing development indeed. In recent times with the support or acceptance of this government Indonesia has been making very rapid progress to a genuinely free and open expression through a free media, reflecting in that respect the rapidly growing openness which has been developing in the country's economy and society more generally. Yesterday's decision is in sharp contrast to that trend so far as the media is concerned. We hope that it doesn't signal any wider ranging impositions and that the magazines will, sooner rather than later, be permitted to resume publication. [end recording]

Keating: Magazines Closure Internal Matter

*BK2206090494 Melbourne Radio Australia in English
0500 GMT 22 Jun 94*

[Text] Australia's prime minister, Paul Keating, says the closure of three news magazines by the Indonesian Government is an internal matter for Indonesia. But Mr. Keating's office in Canberra said Australia was a strong supporter of freedom of the press which was regarded as a basic right. A spokesman said Mr. Keating would go ahead with his planned trip to Jakarta despite a call by a leading Indonesian human rights lawyer to cancel the trip following the banning of the magazines by the government of President Suharto. Michael Marr reports from Jakarta.

[Begin Marr recording] The head of Indonesia's Legal Aid Institute, Adnan Buyung Nasution, has urged Mr. Keating to cancel his trip to Jakarta which is scheduled for next week to protest against the closure of the three news weeklies. The leading human rights lawyer has also called on U.S. President Bill Clinton to call off his planned visit to Indonesia due to take place during the Asia-Pacific Economic Forum's leaders summit later this year. The government has yet to fully reveal why it banned TEMPO,

the country's leading news magazine, and the popular publications DETIK and EDITOR. However, all three magazines have recently published articles critical of the country's research and technology minister, Dr. Yusuf Habibie, who is a confidant of President Suharto. Pro-democracy activists have been quick to declare the closure of the publications as a major setback to openness in Indonesia. So far, authorities have yet to say whether or not the bans will be permanent. [end recording]

State Ministers Barred From Detention Center

*BK1906091294 Hong Kong AFP in English 0336 GMT
18 Jun 94*

[Text] Sydney, June 18 (AFP)—State ministers said Saturday they were outraged when the Australian Government barred them from visiting a immigrants' detention centre.

Two conservative Liberal members of the New South Wales state parliament invited MPs to visit the Villawood Detention Centre in western Sydney, where they said Cambodian boatpeople had been held for up to four years.

State Multicultural and Ethnic Affairs Minister Michael Photios organised the Monday tour with colleague Brad Hazzard for delegates from all parties to inspect conditions.

The New South Wales state government is a conservative alliance of Liberal and National parties while the Australian Government of Prime Minister Paul Keating is Labor.

Photios said he was outraged when Australian Immigration Minister Nick Bolkus formally denied access to the delegation of more than 20 state MPs, mostly state government parliamentarians.

A spokeswoman for Bolkus said the minister had written to Photios and Hazzard saying the MPs were playing political games with the issue and under the circumstances he was not prepared to accommodate the request.

She said Bolkus first heard of the proposed visit through the daily SYDNEY MORNING HERALD newspaper following an approach to the paper by Hazzard.

There was "quite a big lag" between that report and Photios' letter to Bolkus' office asking for permission to visit the centre, indicating to the minister that it was a political exercise, the spokeswoman said.

"He did point out to Photios ... that a whole range of people do have access to Villawood including all the relative support agencies and non-government agencies," she said.

"People can also visit on the invitation of the detainees themselves."

Photios said he understood seven long-term detainees, mostly women and children, were being held at Villawood,

while 16 others remained in a similar centre at Port Hedland in Western Australia's north.

"If it is good enough for Australian parliamentarians to monitor the process of democracy in South Africa, it is good enough for state parliamentarians to monitor what happens in their own backyards," Photios said.

Bolkus' spokeswoman said only one Cambodian boat-person remained at Villawood and he was booked on a flight back to Cambodia within the next week or so.

Photios said the Australian Government allowed thousands of illegal immigrants to move freely around Australia while they waited for decisions on their status.

However, he said the boat people were detained because they had arrived illegally when, at the time, there was no legal way for them to get to Australia.

"Jailing them, while people who overstay tourist and student visas are not detained, is the height of hypocrisy," Photios said.

Navy Arrests Vessel for Illegal Fishing

*BK1906091594 Melbourne Radio Australia in English
1100 GMT 18 Jun 94*

[Text] An Indonesian fishing vessel has been arrested and escorted into Darwin harbor by the Australian Navy. The motorized vessel with 11 crew aboard is said to have been operating inside the Australian Fishing Zone.

An investigation is now being conducted by quarantine and fishery officers. The Indonesian vessel [is] the eighth to be apprehended by Australian authorities this year.

Businesses Record Rise in 1993 Profits

*BK2206090694 Melbourne Radio Australia in English
0500 GMT 22 Jun 94*

[Text] The recovery in Australian business has been highlighted with new figures showing a 31 percent rise in operating profits. Ian King reports.

[Begin King recording] A study of business operations and industry performance by the Bureau of Statistics shows operating profits last financial year came in at more than \$65 billion [Australian dollars], that's around \$15.5 billion up on the previous year. Just over half the increase was due to improvements in trading profits. There was also a significant decline in interest expenses and a slight fall in labor costs. [End recording]

Fiji

Indian Opposition Parties End Boycott

*BK2006095494 Melbourne Radio Australia in English
0500 GMT 20 Jun 94*

[Text] Fiji's opposition parties have ended their two-day parliamentary boycott. Erina Reddan reports the two Fiji

Indian parties were protesting against Prime Minister Sitiveni Rabuka's warning that he could not guarantee against a third military coup:

[Begin Reddan recording] Former coup leader Mr. Rabuka upsetting those Fijians last week when he told Parliament that a third and more violent coup than the two in 1987 was possible in Fiji. [sentence as heard] The Indian opposition withdrew from Parliament in protest. Now they have returned, with Labor Party leader Mahendra Choudhury saying it's more important to concentrate on changing Fiji's racially biased Constitution, which guarantees ethnic Fijians political dominance over Indo-Fijians. It's expected Fiji will appoint a joint parliamentary select committee within the next couple of weeks to review the work on the Constitution so far and decide who to appoint to a constitutional review commission. [end recording]

Opposition To Keep 'Careful Watch'

*BK2106083794 Melbourne Radio Australia in English
0500 GMT 21 Jun 94*

[Text] The leader of Fiji's opposition coalition, Jai Ram Reddy, says the opposition will continue to keep a careful watch on developments in the country's Parliament. Speaking upon the opposition's return to Parliament after a two-day boycott, Mr. Reddy said they ended their boycott in the interest of Fiji's economy and the planned review of Fiji's racially biased Constitution.

The leader of the opposition Labor Party, Mahendra Choudhury, earlier said that it was more important to concentrate on changing the Constitution, which currently guarantees ethnic Fijians political dominance over Indo-Fijians.

The opposition boycott was fueled by a statement by Prime Minister Sitiveni Rabuka that he could not guarantee against a third and more violent coup than the two which brought him to power in 1987.

New Caledonia

Fijian President Ends Visit, Departs 21 Jun

*BK2106122694 Hong Kong AFP in English 1220 GMT
21 Jun 94*

[Text] Noumea, June 21 (AFP)—Fiji's President Ratu Sir Kamisese Mara ended an official five-day visit here Tuesday promising to return and calling for closer ties with this French Pacific territory.

At a press conference he said the territory's capital Noumea was growing faster than his own, adding that the two had many "experiences and hopes they can share."

The president called for official visits to become an annual event.

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